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FBIS-SOV-91-132 *10 July 1991*

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Churkin on Attempts To Complete START Talks

OW1007080091 Moscow INTERFAX in English 1200 GMT 9 Jul 91

["Diplomatic Panorama" report by P. Vassilyev and M. Mayorov: "USSR and U.S. Determined To Round Out START Talks"; transmitted via KYODO]

[Text] The chief of the Soviet Foreign Ministry's Information Department, Vitaliy Churkin, has said the Soviet and American foreign ministers intend to make yet another attempt to narrow their differences on the treaty on strategic offensive weapons. He told DP's [Diplomatic Panorama] reporter that "A. Bessmertnykh and J. Baker are quite likely to decide all the remaining problems at their Washington meeting on July 11-12."

According to Mr. Churkin, the Soviet delegation to the United States will be "ready to discuss any issues with a view to concluding the work on the treaty as soon as possible." At the same time, he said "it is too early to guess what particular agreements may be reached."

One should not rule out that one of the most difficult technical questions—that of telemetric monitoring—may be settled in principle, for experts from both countries to coordinate the details later. This would make the draft treaty ready for signing during the Soviet-U.S. summit in Moscow at the end of this month. The possibility of this course of events stems from the recent exchange of messages between the two presidents, who agree that political will must be shown to round out the START talks at an early date.

Significantly, Soviet Foreign Minister Aleksandr Bessmertnykh said a short while ago that the problem of telemetric monitoring, which had been brought up by the American side, might take years to settle through conventional negotiations over one provision after another. Since it was a very intricate technical problem, which could be decided only by a narrow group of specialists, it would, acording to Mr. Bessmertnykh, require a "political decision." Judging by everything, a decision of this kind is now available.

Among the specific issues needing further coordination are: inspection of missile-assembly plants, a more distinct identification of the old missiles liable to modernization, methods of collecting and deciphering data during missiles testing, and the stock-taking procedure for the unreplaceable missile warheads.

Clearly, unless the USSR and the USA decide the remaining START-related problems politically, the treaty's signing in Moscow later in July may be disrupted. A USSR Foreign Ministry expert directly connected with the Soviet-American disarmament talks in Geneva told DP's correspondent on Tuesday that it is at the Bessmertnykh-Baker meeting on July 11-12 that the treaty's future may be decided. The best possible option would be for the two ministers to settle the remaining five questions which the Soviet side regards as an indivisible whole and which are still hampering the treaty's finalization.

In acknowledging the helpfulness of the exchange of messages between Presidents Bush and Gorbachev, the Soviet military expert observed that the Americans should show "greater flexibility and readiness for concession" at the START talks with the USSR.

Diplomats at the Foreign Ministry's USA and Canada Department told DP's reporter that the unsettled problems could be included in a separate protocol and submitted to experts for additional coordination after the treaty's signing. They indicated that the two-day meeting between Bessmertnykh and Baker could hear debates over the agenda of the Moscow summit and embrace the entire range of bilateral, international, regional, military, and humanitarian issues concerning both countries. The diplomats said the package of international problems would be likely to include the situation in Yugoslavia and in the rest of Europe, Iraq's fulfillment of UN Security Council Resolution 687 and Washington's threat to use force against Baghdad if the latter continued barring international inspectors from its nuclear installations. The Soviet and American leaders could be expected to discuss ways of settling the Middle East crisis in the context of the latest series of negotiations with the countries directly involved in the conflict.

Afghanistan is still a "hot spot" and an area where the Soviet Union and the United States are yet to tap their settlement potentials. The American side may raise the question of Soviet assistance to Cuba. The package of regional problems may also include the situation in Cambodia and Ethiopia. As far as the South African situation is concerned, the diplomats believe Moscow is unlikely to boost its economic relations with Pretoria, although Washington has been encouraging it to do so.

No Relaxation of Sanctions Against Iraq Seen

PM1007083591 Moscow IZVESTIYA in Russian 5 Jul 91 Union Edition p 5

[By A. Shalnev: "Concerning Baghdad's Nuclear Ambitions. Security Council Ready for Tougher Sanctions"]

[Excerpts] New York—The question of what to do next has been under discussion for two consecutive days at closed consultations among the five permanent members of the Security Council and at bilateral talks between the Security Council chairman and representatives of each of the "five."

What to do with Iraq which, by refusing to admit UN inspectors to its nuclear facilities, has presented an extremely serious challenge to the international community. [passage omitted]

Various courses of action are already being discussed. Diplomats prefer not to go into details as yet, although certain things are clear. First, the idea of a relaxation of

economic sanctions against Iraq can be regarded as buried for a very long time to come. IZVESTIYA has already written that the idea was put forward by the Soviet Union. It was flatly rejected, yet some hope still remained. Now there is no hope. "The question is off the agenda," a high-ranking diplomat told me, "despite all the terrible reports coming from Iraq—reports of the country's grim economic situation, the disastrous rise in infant mortality, and so forth."

Second, the terms of Iraq's payment of compensation for the damage it has done to Kuwait and for other economic consequences of the conflict it provoked will certainly be made tougher. Behind the scenes the word is that the United States was prepared to relax its demands somewhat and not insist on half of all Iraq's oil revenue going on compensation, but only 30 percent. Now, as far as one can tell, there can be no question of this. "Baghdad," according to one diplomat, "could be placed in a situation where it will have no control at all of its oil revenue.... It will still be able to obtain certain essential goods and services, but under strict UN supervision, and if someone wants some candy he will be told: You work it out with Saddam how and where to get it and how to pay for it."

Third, there will be tighter control over the implementation of sanctions in the military area. There will be absolutely no allowances or concessions.

behind the scenes at the Security Council, however, it is admitted that these are long-term measures and in themselves they are not going to make Saddam implement the terms of the resolutions concerning nuclear questions. While the Security Council would like to see the resolutions it had adopted implemented, it is after all a matter of prestige, I was told.

So the main question is what can and must be done immediately. It is possible that we will learn the answer before Monday.

EC's Delors Views Prospects for Soviet Economy

PM0807120591 Moscow PRAVDA in Russian 3 Jul 91 Second Edition p 4

[By V. Peresada under the "Our Interviews" rubric: "'We're Waiting for a Program From Gorbachev Himself'"]

[Text] Brussels, 2 Jul—Most of the "seven" are West Europeans, members of the "Common Market." For this reason the head of the EEC executive body—the EC Commission—traditionally takes part in these meetings. For many years now Jacques Delors, one of the most prominent Western economists and politicians, has held this post. This is what he said during a conversation with this correspondent.

[Delors] I think that the decision to invite the USSR president to the meeting in London is an important political fact per se. The significance of this decision resides in the fact that the world's most economically powerful countries want to discuss issues with the Soviet Union, regarding it as a great power. Undoubtedly, this is an extremely significant gesture.

I have just visited Moscow where I got the impression that Mr. Gorbachev is making thorough preparations for the London meeting. What is more, I noted with interest and delight that he has made progress on institutional reform, without which it is impossible to know who is responsible for what and who holds power and without which it is hard to normalize and modernize the Soviet economy and adapt it to the world economy. As I see it, that is ultimately Mr. Gorbachev's aim.

At the request of the president of the European Council, I delivered a report on the situation in the Soviet Union. I hope it proved to be objective. It examines the state of institutional reform and the problems arising in implementing economic transformation. The report was of interest to EEC leaders and will obviously help them in their preparations for the first important meeting with Mr. Gorbachev.

As is well-known, you have various reform programs. People in London are expecting to hear the program put forward by Gorbachev himself—first of all, a new form of a state system acceptable to the majority of the republics. After all, it is impossible to effect true economic reform without precise distribution of power and responsibility. Second, he is expected to clarify the concept for Soviet economic recovery. In my view, strenuous efforts must be made immediately regarding the unbalanced budget and balance of payments, along with inflation.

Prior to the London meeting, the press, notably the Soviet press, has begun to voice the following idea: The West's granting the USSR major financial aid will depend above all on the radicalization of reform in your country. I personally do not think that. On the one hand, I do not think you should harbor any illusions regarding "truckloads of goodies," $30 billion a year, and so on. On the other hand, you have every reason to believe in your own potential. The Soviet Union has a good education system and qualified cadres, a wealth of natural resources, and plenty of major technological achievements to its credit. All this must be organized in an intelligent and rational manner, notably with Western aid. If this succeeds, I think that within roughly two decades your economy will be able to join the world economy and will begin to receive private investment.

Gorbachev To Apply for IMF, World Bank Status

OW1007023291 Moscow INTERFAX in English 1830 GMT 9 Jul 91

[Transmitted via KYODO]

[Text] According to IF's [INTERFAX] sources, on Tuesday President Mikhail Gorbachev authorized the

filing by the Soviet Union of membership applications with the International Monetary Fund [IMF] and the World Bank.

Experts believe that this country may officially ask the full-fledged membership of the world's two leading financial organizations right after the end of the G-7 [Group of Seven] conference in London.

Tarasenko: Joint Projects With West, Not Loans

OW2806170191 Moscow INTERFAX in English 1500 GMT 27 Jun 91

["Diplomatic Panorama" report by Pyotr Vasiliev: "What Sort of Aid We Need and Expect From the West"; transmitted via KYODO]

[Text] As the Great Seven meeting is drawing closer, many speculations and forecasts appear on what sort of aid the West is going to give the Soviet Union. Some of them talk of money mentioning astronomical figures, others suggest only technical assistance and joint projects. And what sort of aid can be really effective?

Prominent Soviet diplomat and political expert Sergey Tarasenko who headed the Foreign Ministry's Planning and Assessments Department for a long time and now is on the board of the Foreign Policies Association, thinks that the only realistic approach towards Western economic aid is in joint technical projects. "Loans and credits, particularly the sums we hear bandied about, are unreal. What's more they'd be harmful", he said.

"Relations between states can't be on the lines of begging and charity" stressed S. Tarasenko. He welcomed the approach by Russia's President Boris Yeltsin who refrained from asking for money during his visit to the United States, but offered some mutually beneficial economic and financial projects.

The question of loans and credits is a kind of Achilles' heel in the Soviet Union. "Loans have any sense when the economic system can use them effectively", explained S. Iarasenko. The country should be able to raise profit on the borrowed money within the time of credit and begin repaying. The turnover speed is crucial here. "And we are likely to borrow for decades", went on the diplomat.

Soviet economy is far from capable of turning over the loans with profit and without losing the creditors' trust. "Our economy is in such a disrupted state, that it's hard to visualize a situation in which loans would be useful, or even at all meaningful", concluded S. Tarasenko.

He advised to talk of loans only after creating and consolidating new market relations and new economic structures functioning in conditions of free enterprise and healthy competition.

S. Tarasenko answered negatively to the question if such new structures can be found in the existing joint ventures or cooperatives. The main reason why they can't function on the basis of free enterprise is the general legal climate which makes normal market relations impossible.

It's clear by now that the West is not in a hurry to give us new credits or financial aid. It's true, though, that the USSR has lately raised some short term bank credits. Similar sums have been promised to us in future. But the country's foreign debt it rising. From a partner trusted in banking circles we have turned into a high-risk category, dangerous for investments, continued Sergey Tarasenko. That has changed the attitude towards us to apprehension.

S. Tarasenko accompained the President of the Soviet Foreign Policies Association Eduard Shevardnadze in his recent trip to the United States. He says that "Shevardnadze did not raise the question of credits. That had been done by the government before his arrival in the United States." He was asked, though, if the Soviet Union really needs such credits. E. Shevardnadze answered affirmatively since short term credits would be important in carrying out the current reforms. He proceeded from an intensive variant of reforms. "That necessitates short-term financial aid to meet the urgent demand for food", explained Sergey Tarasenko.

In the United States Eduard Shevardnadze met with Grigoriy Yavlinskiy and discussed his new programme which was then being prepared. E. Shevardnadze described the principles underlying the programme as "realistic and very sensible." He thought the programme rested on "a rational basis and on market economy, and as such was raising no objections in the international aspect." "But it will take major reforms and changes in the Soviet Union", he went on, "The question is whether the Supreme Soviet is ready for such radical changes".

Correspondent Assesses Gorbachev's Economic Plan

OW0307091491 Moscow INTERFAX in English 1600 GMT 2 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] Tomorrow a group of Soviet experts will leave for London to hold initial consultations on the "Gorbachev program", which he hopes to present shortly to the leaders of the group of seven industrialised nations. The experts include the Deputy Foreign Minister Obminskiy as well as Bugrov and, according to some reports, several representatives of the republics.

The Soviet Foreign Ministry reported that a number of other European visits should not be overlooked in the context of the London gathering. "This does not only depend on us", said a leading diplomat who wishes to remain anonymous.

A member of the press corps of the president, Karen Karagezyan, said that the Soviet president will travel to London with a "Gorbachev and republican plan". Explaining further he said that "the president intends to discuss his program with representatives of the republics

and to take account of their interests". Such work is already under way according to Mr Karagezyan.

In principle, he continued, the program should include all sensible ideas from the suggestions made by Yavlinskiy, the International Monetary Fund, the European Bank for Reconstruction and Development and the anticrisis program of Prime Minister Pavlov.

In such a way the final version of the Gorbachev plan will include suggestions from the above group of four after their discussion and following the approval of the republican representatives. Just such a variant could be put forward at the economic summit in London.

The situation is such that at the moment one cannot say the interests of how many republics will be included in the program. Most likely the matter will not be restricted to a nine plus one format. At the moment in Moscow a meeting is being held to discuss the economic situation in the country for the first six months and forecasts for the second, in which every republic is represented.

Karen Karagezyan, for example, considers that "all valuable ideas, including those from representatives of those republics who are not going to sign the union treaty, will be considered in the general program".

The main stress will be, as is already known, on how the Soviet Union can be integrated into the world economy with the minimum losses and expense. Mr Karagezyan commented in this context that one of the conditions for the integration of the Soviet Union into the world economy is that the Soviet legal system will have to be brought into line with the international standards for a normally functioning market economy.

The main task lies in coordinating our move to the world economy with cooperation with other countries. The question of loans and credits which the Soviet Union is expecting to receive from the West, he continued, is a result of a misunderstanding of the essence of our intentions.

G-7 May Raise KAL Shootdown With Gorbachev

91UF0955A Moscow IZVESTIYA in Russian 4 Jul 91 Union Edition p 4

[By A. Illesh in Moscow and IZVESTIYA correspondent A. Shalnev in New York: "London Echo of the Tragedy Over Sakhalin"]

[Text] The tragedy played out in the skies over Sakhalin in September 1983, when 289 passengers on South Korean airliner KAL-007 died, could prove to be an item on the agenda of the upcoming meeting in London of the leaders of the Seven with USSR President Mikhail Gorbachev.

IZVESTIYA has devoted its own investigation to this event, having published more than 30 reports, which not only recounted entirely new details of this tragedy not previously published anywhere, but also by its investigation refuted the old Soviet version. We recall that this official version maintained, among other things, that KAL-007 was flying without lights and that attempts had been made to establish radio contact on international frequencies, but that it had remained silent. The conclusion was that the aircraft was on a spying mission and, after the giant Boeing had been shot down by two missiles, nothing more of it was found....

This IZVESTIYA publication attracted the attention of the world community—dozens of most important newspapers and agencies reprinted us, and television companies in Japan, Korea, and the United States devoted special programs to the IZVESTIYA investigation. The presidents of the USSR and the United States also expressed (via their press spokesmen) their positive attitude toward the journalists' attempt to reveal the truth. And now the latest news.

According to information obtained by IZVESTIYA's New York correspondent, the leaders of the American Association of Families of the Victims of KAL-007 have already presented a specific request to U.S. President Bush, Canadian Prime Minister Mulroney, British Prime Minister Major, and French President Mitterrand. The association is seeking to ensure that Moscow officially provide answers to the questions which have gone unanswered all these years. The main one is the question of what happened to the bodies of the deceased.

We also have learned that the association is preparing to send the Soviet president one more letter, to given to Mikhail Gorbachev by German Chancellor Kohl during their meeting in Kiev in a few days time.

The association is emphasizing the fact that disclosure of the truth about the Sakhalin tragedy will contribute to an improvement in the political and economic relations between the United States and the Soviet Union. This opinion, as understood, is also being expressed on Capitol Hill, where a whole series of various Soviet-American accords, economic included, will be discussed in the next few months—for subsequent ratification.

Unfortunately, Soviet official authorities—the Ministry of Defense and the Foreign Ministry—did not, as it were, notice the investigation conducted by the newspaper and failed to give IZVESTIYA serious answers to its questions. In addition, according to foreign press reports, the staff of the foreign policy department are responding to all inquiries that the journalists' investigation has not altered their positions, the positions of 1983. The facts made public by the journalists "play no part."

The sole positive move is the permission for members of the association of families of the deceased passengers to visit Sakhalin and the scene of the tragedy in the sea close to the island of Moneron in September. A paradoxical situation is taking shape: It is not known officially where precisely the downed Korean airliner fell. On the other hand, the relatives of the 269 deceased passengers have been given official permission to visit the spot

where it came down. Perhaps the time has come to end the mysterious game being played with the world (and Soviet) community and to publish the documents on the destruction of KAL-007 that are available in the USSR. The same should also be done by the American side, however.

Roundtable on Economic Issues, SFRY Situation

LD0707191291

[Editorial Report] Moscow All-Union Radio Radio-1 Network in Russian at 1230 GMT on 7 July broadcasts its discussion program, introduced this week as "International Observers at the Roundtable." The program participants are Vsevolod Ivanovich Sovva, deputy head of the USSR Foreign Ministry Information Directorate; Vladimir Nikolayevich Markov, political observer of the NOVOSTI news agency; and Vladimir Georgiyevich Pasko, All-Union Radio foreign political commentator.

Pasko proposes starting, not with Yugoslavia, but with the Soviet-Mexican and Soviet-German summits. Such talks deal with the overhaul of the whole system of international relations in an interdependent world, Pasko says. Sovva adds that present changes in Mexico favor the development of relations. A return visit may be made much sooner than usual, he says.

Markov, just back from Kiev, discusses the Soviet-German summit. "The subject of preparations for meetings between Mikhail Sergeyevich Gorbachev and the leaders of the Seven in London received even more attention at the talks in Mezhegorye than we all expected," Markov says. He adds that Kohl stressed the Seven's interest in Soviet stability. Achieving this, says Markov, is up to us, but if we receive financial and economic interaction from the West, then this will promote stability, Pasko stresses. Kohl demanded "information on the specific measures that the Soviet Union intends to take in the nearest future for the radicalization of reform," Markov says, adding that Kohl was impressed by what Gorbachev had to say.

On the same subject, Sovva says: "The whole range of issues which now unite the USSR and Germany is now exceedingly broad," but he adds that German unification has many problems. A good climate of goodneighborliness is being maintained. The Soviet troops, however, will remain in Germany for a long time, and certain property questions also remain to be settled, he states. Markov says that the situation is very delicate. Both sides are trying to shy away from details. "In Gernmany, we now have 21,111 buildings and structures that we built, the Soviets, during all the postwar years on the territory of the former GDR," Markov says, adding that many facilities were also rented. The USSR wants the Germans to pay more than 10 billion German marks for them. The Germans are willing to pay something for the Soviet property, but expect compensation for ecological damage, so that it would cancel itself out and no one would pay anything. The problem must be resolved without delay, Markov states. He continues by saying that the only solution is to write off both claims. But how are all the servicemen who are coming home from eastern Europe to be provided with housing? The Germans have decided to help with this issue.

Pasko says Colonel General Burlakov, commander in chief of the Western Group of Forces, stated that the pull-out could be halted if there is no progress on housing. He was trying to influence those at home who are responsible for the delay. If the promises of housing for officers' families are not kept, "a serious social crisis could arise," Pasko says.

Markov goes on to say that the USSR's exports to the former GDR, the new federal lands as they are now called, has essentially collapsed. Yet the Soviet exports to the GDR used to make up a considerable proportion of the turnover of trade with the GDR. How can the situation be reinstituted? Morever, it is in our own interests, because we need foreign currency from these exports and in the interests of Germans themselves, that it must be reinstituted as soon as possible, Markov stresses. Pasko raises the issue of employment in the area, which Markov says was also one of the important subjects discussed at the talks with Kohl.

Pasko says: "The meeting has of course allowed both sides to understand the other party's approach to complex issues. That is absolutely evident. The one to be noted among those issues is the situation that has now arisen in Yugoslavia. Judging by the news conference, this question was also under discussion. This is followed by a general discussion of the Slovene-Croat conflict.

Sovva continues the Yugoslav discussion by saying that "what is important for us is how we can help to stop the internal fighting. Television footage showing tanks and tank attacks, and a modern air force bombing towns make one conclude that this essentially is a civil war, or episodes from a civil war. Therefore, this is indeed very dangerous both for Yugoslavia and for the microregion."

Markov says: "I think we must acknowledge the fact that today we are trying to think up solutions to the conflict in a situation which is absolutely unique. Admittedly, the conflict is not by any means as acute as the one during the 1970's."

Pasko says: "I agree with you, Vladimir Nikolayevich. I have just looked very carefully through all the material on Yugoslavia with a view to ascertaining the West's reaction, and generally the reaction of all European and other countries to what is going on in that country. Above all, everyone is calling on the hostile sides to abandon the use of force." "However, Austria, for instance, stated that unless the Yugoslav People's Army stops combat operations in Slovenia, it will have to acknowledge the sovereignty of Slovenia and Croatia. Admittedly, these threats—I regard them as threats—can be heard from capitals of other countries, too. There is, however, another issue that one must note here. If anything like this were to happen, this would be a retreat

from the position agreed upon at the Berlin session of the Council of Foreign Ministers of the CSCE's 35-member states," Pasko stresses.

Sovva says that the situation in Yugoslavia, moreover, as subject to international law, is clearly determined in the Helsinki Final Act. "It says in the Final Act that all states enjoy territorial integrity and sacred borders. Therefore, any statement on any level that rejects these ideas violates the main principle," he adds. Sovva also says that naturally, there can be no support for any separatist aspirations because they would also be against the whole principle. "It is impossible to change things in one place without affecting other places," Sovva states.

Markov says that he would like to mention a few nuances which he noted during the Soviet-German summit meeting near Kiev. He says: "I understood from my conversations with German diplomats and correspondents that a very complex process is now under way in Bonn; the FRG and its leading political parties are trying to rethink their approach to the events in Yugoslavia. In recent days and hours the Bundestag's main political parties have begun to reach a political consensus in favor of supporting the sovereignty of Slovenia and Croatia. It is still difficult to determine to what extent these political debates in the Bundestag will affect government policy. Quite demanding voices can be heard in Bonn that the FRG must not ignore then possibility of recognizing Slovenia and Croatia if the disturbances continue and undemocratic menthods continue to be used in the attempt to resolve the problem; that is, even if this meant acting against the EEC's position.

"In other words, there is the possibility of a split in the EEC over this question. I think that this story about the transformations that are now happening in Bonn must place all of us on alert once more with regard to the fact that the Yugoslav situation, just as any other possible ethnic conflict in Europe, is complex—not to mention the fact that we, no doubt, tend to compare these events in Yugoslavia with what may happen in the USSR, something about which Mikhail Sergeyevich Gorbachev spoke rather emotionally at his news conference."

Pasko concludes the program by asking will it be possible to extinguish these passions in Yugoslavia. "In the main, this depends on the Yugoslavs themselves, to be more precise, on Yugoslav politicians, but also on the extent to which the other participants of the all-European process manage to coordinate their actions. I think the first reaction to the events in Yugoslavia arouse hope that the conflict can be ended. We will have to wait and see whether things will work out after all," he says.

Kozyrev Addresses UN Economic Council Session

LD0607091991 Moscow TASS International Service in Russian 1349 GMT 4 Jul 91

[By Boris Shabayev]

[Excerpts] Geneva, 4 Jul (TASS)—The participants in the regular session of the UN Economic and social Council (ECOSOC), which is holding a special session at the ministerial level on questions of the evolution of East-West relations and the impact on the world economy and international economic cooperation, today began to discuss this question. [passage omitted]

The discussion of questions of the impact of East-West relations on the whole spectrum of world economic relations is a recognition of the extreme importance of the processes under way in the USSR and other Central and East European countries that will affect the destiny of the world, said RSFSR Foreign Minister Andrey Kozyrev, head of the USSR delegation of the ECOSOC session, in his speech. It would be no exaggeration to say, he noted, that a return to effective forms of economic management, combined with the democratization of public life in these countries, with their deep and far-reaching consequences, is tantamount to drawing a complete, huge continent into the world's economic orbit.

The RSFSR foreign minister stressed that the RSFSR, like a number of other republics, in working out its own economic plans, favors coordinating its activities at the union level and ensuring a unified economy and a quick conclusion of a treaty on a union of sovereign states on a democratic and voluntary basis. He said that we favor stability through a resolute deepening of perestroyka, believing that our successes in precisely this area should help to ensure mutually advantageous cooperation with our foreign partners.

Replying to fears that capital and aid are being sent to the USSR to the detriment of other countries, Andrey Kozyrev stressed that the aid going to the Soviet Union is just a small portion of the overall amount worldwide. We appreciate it, especially when it comes to Chernobyl and when this aid is directed toward smoothing the path in the transition period, but we are counting first and foremost on our own efforts as a great power.

Gorbachev Greets International Film Festival

LD0807184191 Moscow TASS in English 1833 GMT 8 Jul 91

[Excerpt] Moscow July 8 TASS—More than 2.5 thousand Muscovites and guests from different countries today converged on the Rossiya entertainment centre to attend the opening ceremony of the Moscow international film festival.

Soviet President Mikhail Gorbachev said in a message of greetings to festival participants and guests that this film forum is "a major event of intellectual life". "We live in a complex but not discouraging age when the world

civilization is beginning to build new good-neighbourly relations and discarding confrontation and distrust," the message stresses. "It is difficult to overestimate the importance of the film art which is designed to play a constructive role in uniting people and upholding lofty humanist values".

This is the 17th international film festival held in Moscow. Its motto this year is "Hail actors of the world". Its organisers received much help from the Moscow City Council. Deputy Chairman of the Council Sergey Stankevich heads the festival organizing committee. [passage omitted]

United States & Canada

Bush Cited on World Issues

PM0907194191 Moscow PRAVDA in Russian 10 Jul 91 First Edition pp 1, 4

[Report by correspondent V. Gan: "G. Bush: Cooperation Must Continue: U.S. President Answers PRAVDA Correspondent's Questions"]

[Text] Washington—On the eve of the London economic conference of the seven leading Western states, U.S. President Bush met in the White House with a group of foreign correspondents from Japan, Germany, Britain, Canada, France, Italy, Greece, Turkey, and the USSR. PRAVDA's correspondent represented the Soviet side at the White House's invitation.

After talking about the preparation for the trip to England and of the meetings planned before it with a number of leaders, the President noted that the "culmination" of the London discussions will be the arrival there of M.S. Gorbachev.

"I can say that we were very satisfied when President Gorbachev quickly decided to send his capable Foreign Minister Bessmertnykh and General Moiseyev here. We would like to complete the agreement on strategic arms in good time so as to hold the meeting (the Moscow summit—V.G. note) at the end of this month and perhaps take in a day or two of August. That is his aim; it is our aim. I would like it all to turn out that way," G. Bush stated.

"We shall see," he went on, "how matters proceed at the talks here. But there is another point—I shall have an opportunity to meet and talk (with M.S. Gorbachev—V.G. note) one to one in London before the G-7 conference. Others will also meet with him. And then we shall meet over dinner."

Your PRAVDA correspondent asked G. Bush this question: Now, on the eve of the London G-7 meeting, people are talking about a vagueness, not to say ambiguity in the U.S. approach to the Soviet Union. How would you like to see our relations develop in the near future?

"I would like to conclude an agreement on arms control," G. Bush said. "Or, to take a broader view, I would like to continue the cooperation which, I might add, was magnificent in the participation in the international coalition (to repulse the Iraqi aggression—V.G. note). The cooperation from the Soviet Union surprised many people in the world. I would like it to continue because, in my opinion, our two great powers must work together on regional problems too."

"As a result of the meeting I would like to understand better the reforms that President Gorbachev is carrying out," the U.S. President went on. "I would like to know that the Soviet Union is pursuing the course of reforms as firmly as—I am sure—President Gorbachev would like. We would like—and this is their affair, not ours, and I have long learned to show caution and not interfere in another country's internal affairs—Yeltsin and Gorbachev to continue—I use that word intentionally—to work together.

"Yeltsin's visit here was successful in two respects. First, he arrived soon after his remarkable election victory. Americans understand this—he is a man who went to the polls with his program, put it to people, and won. Second, when he came here he did not try to use the visit to embarrass President Gorbachev. This disposed people here favorably toward him. I hope that all this worked to the advantage of both of them—President Gorbachev and Yeltsin. I would like this to continue.

"The Soviet Union," G. Bush went on, "knows that we adhere to an old viewpoint which states that the Baltic must be free. This is a very complex question, but that is the U.S. position. It has not changed. It will not change.

"There are a number of things that we are discussing. I would very much like the reforms in the USSR to progress quite far and be quite real; then we can all set to work and give the maximum possible assistance to the USSR in the sphere of economic recovery. The Soviet economy is sick now. That is a fact—the Soviet economy is in bad shape. In our opinion—I believe that this will also be the opinion of other G-7 participants—the path to remedying the situation, which will definitely be long, runs through privatization, the market reform, and so forth.

"So we are setting out for the conference and my meeting with Gorbachev without prejudice. But we have also stated clearly that we have certain restrictions on what we can do until the reforms are firmly implemented."

G. Bush stated that he is looking forward with pleasure to the meetings in London. Calling himself a firm supporter of personal contacts, the President stressed their special importance. "They are the assurance," to use his expression, "against ships that pass in the night, as I put it. There are agricultural problems with Japan? Let's discuss them. There is a big problem of reorganization or the Baltic problem in relations with the Soviet Union? Let's talk about it. I am not going to change my position just to please Gorbachev. And he surely is not going to change his just to please me. But thinking about leaders, I believe that personal relations can be extremely useful. If you cannot reach agreement, then that is the way the cookie crumbles. But at least you tried to reach a agreement, you tried to secure the best chances of success. That is why I hold so many personal meetings and spend so much time on them."

Asked to comment on the U.S. position on events in Yugoslavia, G. Bush expressed the hope that EC mediation may help the sides to settle their differences peacefully. He noted, however, that he does not know how events will develop and what will happen if the

country disintegrates. "That is basically a European problem and they, in a difficult situation, are coping with it fully," the President said.

To a question on the differences between the United States and France on the creation of an independent European defense structure, G. Bush stated that in his opinion this whole concept is not an attempt to disband NATO. "If I am wrong," he added, "this would alarm me." Noting his intention to discuss this question with the president of France, G. Bush reemphasized that he does not think that "they are trying to send us a signal that we are no longer needed for ensuring European security."

There were a number of questions on the conflict with Iraq and its consequences. In the President's words, he has no doubts on this score that the war in the Persian Gulf was worth the sacrifice. A lesson was given that everyone understands—aggression will not win.

G. Bush stated that, looking back on it, he considers the creation of the anti-Iraq coalition and the armed actions against the Iraqi regime to have been the correct course of action.

On the general situation in that region, the President said that unless he is mistaken U.S. standing and credibility there have strengthened since the war. Washington, in his words, would like to take advantage of this fact and be a catalyst for peace throughout the Near East. G. Bush acknowledged that America's efforts met with difficulties. "We do not intend backing down and we will continue our attempts," he stated, pointing to the need for reciprocal concessions from the Near East countries. "I would like to see direct talks between the sides, the ending of the (anti-Israeli) boycott, the ending of the creation (by Israel—V.G. note) of settlements (on the occupied Arab lands—V.G. Note)."

The President was asked how realistic expectations are that during his visit to the Greek and Turkish capitals after London the foundation will be laid for settling the differences between those two countries and even that a nonaggression pact will be signed. G. Bush said that in his opinion the time is now ripe for the resolution of the difficulties in Greek-Turkish relations. "If the United States can somehow help the solution of these historical differences, so much the better."

At the end of the interview, G. Bush was asked to define America's general national interests. He expressed them in two words—peace and security. "We are delighted at the move toward democracy and freedom throughout the world, and we rejoiced when the cold war ended and Germany united. We will not forget the countries of East Europe when we go to the G-7 conference; their success is extremely important to all freedom-loving states. They are carrying out reforms none of us could have predicted two years ago. We must help them achieve success. Devotion to democracy and freedom and a recognition of the fact that no one country can achieve this in isolation—that is our creed," G. Bush stated.

Commentary Views Bessmertnykh-Baker Meeting

LD0907155591 Moscow Radio Moscow World Service in English 1210 GMT 9 Jul 91

[Commentary by Yuriy Solton]

[Text] The Soviet Foreign Minister, Aleksandr Bessmertnykh, and the United States Secretary of State, James Baker, are meeting in Washington on the 11th and 12th of this month in a bid to settle the problems that have emerged in finalizing a treaty to cut the strategic offensive arms in their countries. How realistic is this goal? Yuriy Solton comments, and this is what he writes:

This meeting between the two foreign ministers was not on the schedule of regular contacts. The decision to hold it was made after President Gorbachev and President Bush last week exchanged messages to express their intention to speed up talks and their ideas of how the problems can be resolved. Speculations to the effect that President Gorbachev is more interested in the meeting in order to build up his prestige, while President Bush attaches greater importance to the strategic arms treaty as such are at least negative.

Reports from Washington say that right-wing politicians have put pressure on the administration to make it seek as many concessions on the part of the Soviet Union as possible. The Soviet hawks, too, have stepped up their efforts aimed at slowing down disarmament. Judging by the presidential messages, both Gorbachev and Bush are equally interested in having a profound dialogue and concluding specific agreements, of which the strategic arms treaty is the main one, when the United States President visits Moscow. Experts have been saying that a mere four controversies are still to be settled: the procedure of inspecting missile plants, a more exact definition of the modernization of older missiles, the methods to be used in the interpretation of missile test data, and the rules of counting the reduced warheads from the missiles not to be dismantled.

The experts say these problems are purely technical, but there has been no progress in the talks for more than six months. However, what experts cannot do can be settled at a higher political level. This is precisely how the Soviet Union and the United States eliminated the differences concerning interpretation of the conventional arms treaty. This political mechanism can prove successful at the strategic arms talks, too. I am quite certain that Aleksandr Bessmertnykh is going to Washington with certain proposals and I also believe one can expect that the United States secretary of state will show more flexibility. It is also possible that the Soviet and American Presidents will have something definite when they meet at a lunch in London on 17 July. In any case, the latest steps by the leaders of the two countries have shown that they are sincerely interested in an early full-scale summit meeting. The chances for the summit taking place in Moscow already at the end of this month have greatly increased.

State's Bolton Confers With Petrovskiy

PM0907153991 Moscow IZVESTIYA in Russian 4 Jul 91 Union Edition p 4

[Unattributed and untitled report under general heading "Official News"]

[Text] Soviet-American consultations were held 1-2 July on problems concerning the UN system between USSR Deputy Foreign Minister V.F. Petrovskiy and U.S. Assistant Secretary of State J. Bolton. Their detailed exchange of opinions concentrated on a vision of the role and place of the United Nations Organization in the formation of a new world order—a system of international peace, security, and cooperation founded on the UN Charter.

They noted with satisfaction the growing Soviet-American cooperation in the UN framework over recent years, which was demonstrated most clearly in the actions of the UN Security Council and the entire world community in overcoming the crisis in the Persian Gulf by collective efforts.

Both sides believe that the United Nations, with the peacemaking potential that is enshrined in the fundamental provisions of its charter, is able to play a central role in unblocking complex regional conflicts; this finds concrete embodiment, for example, in the search for paths toward a settlement in Afghanistan and Cambodia within the framework of the United Nations, and in the preparation of new UN operations to maintain peace in Angola, Western Sahara, and El Salvador.

Northeast Asia

Japan To Cut Numbers Visiting South Kuriles

OW1007063091 Moscow INTERFAX in English 1200 GMT 9 Jul 91

["Diplomatic Panorama" report by diplomatic correspondent I. Porshnev: "Scrapping Visas and Solving Territorial Disputes Are Totally Different"; transmitted via KYODO]

[Text] The Japanese Foreign Ministry is set to slash the number of people who would like to use the visa-free travel arrangement to visit some of the southern islands of the Kuriles, the Newspaper "MAINICHI" reported. The visa-free regime of travel was proposed by Soviet President Mikhail Gorbachev during his recent trip to Tokyo and, in the eyes of the Japanese Foreign Ministry officials, may undermine the campaign for the return of "the Northern Territories," experts say.

The scrapping of visas and the problems of "the Northern Territories" are two different subjects, a senior Japanese diplomat accredited in Moscow told DP's [Diplomatic Panorama] correspondent. He said the introduction of visa-free travel in no way solves the territorial dispute. "This is but the first step," he added.

Touching on the intention of the Japanese Foreign Ministry to limit the number of travellers, the diplomat suggested it was dictated by the need to find the answers to two basic questions. The first is: Who will go to visit the Kurile Islands? While the second is—for what purpose? He said the restrictions, which at this point are absolutely justified, may later be lifted.

Japanese Trade Exhibition Opens in Khabarovsk

OW0907064591 Moscow Central Television First Program and Orbita Networks in Russian 0930 GMT 6 Jul 91

[Video report by L. Stroykov on Khabarovsk exhibition of Japanese products; from the "Vremya" newscast]

[Text] The "Japanese Industry 91" exhibition is currently running in Khabarovsk. It was organized by the Association of Japanese-Soviet trade, in cooperation with the USSR Far East Trade and Industry Chamber.

[Begin recording] [Stroykov] According to experts' assessment, this is the biggest commercial undertaking of its kind in the history of the development of Soviet-Japanese economic relations in the Far East. The main goal of the exhibition is to conclude contracts and establish business ties between partners in the huge territory stretching from the Ural Mountains to the Pacific Ocean.

More than 30 large Japanese firms and corporations, private manufacturers, and prefectures are displaying their products to good effect. Everything that our market is short of, or simply lacking, can be found here—from dishes and disposable syringes to medical computers and construction equipment. [video shows exhibition hall containing cars, motorcycles, domestic electronic appliances; then cuts to an interview with Tetsuo Sato, president of the Japanese- Soviet Trade Association, and with M.V. Kruglikov, chairman of the Far East Trade and Industry Chamber]

[Sato] I have been working with the local authorities since 1981. It is good now that economic rights, or economic sovereignty, will be transferred to local [authority] and the Russian Federation.

[Kruglikov] I completely share Mr. Sato's opinion. Naturally, both our Soviet entrepreneurs and the Japanese firms are awaiting liberal laws regulating foreign economic activity, so that everyone will be interested, both our exporters and importers as well as....[Kruglikov changes thought] And the territory, the most important thing is the territory, particularly for the export of our regional resources. [as heard] [Stroykov] The results of the biggest Japanese exhibition in Khabarovsk remain to be summed up, but it already is known that this is just a prelude to a still bigger exhibition of Japanese products, which is scheduled to open in Moscow next spring. [video shows agricultural, factory, and medical equipment] [end recording]

Soviet-Mongolian Economic Talks Held in Moscow

PM0907135991 Moscow IZVESTIYA in Russian 5 Jul 91 Union Edition p 5

[TASS report: "Commission Session"]

[Text] The 39th session of the Soviet-Mongolian intergovernmental commission on economic and scientific-technical cooperation was held on 1-3 July in Moscow. During the session the sides examined topical questions of Soviet-Mongolian economnic cooperation and adopted decisions aimed at improving the effectiveness of collaboration between the two countries in the sphere of trade and investment cooperation in conditions of the market relations that are taking shape in the USSR and Mongolia.

The Soviet delegation at the commission session was headed by USSR Deputy Prime Minister F.P. Senko and the Mongolian delegation by Mongolian First Deputy Premier D. Ganbold.

View of DPRK Application for UN Membership

SK1007083591 Moscow Radio Moscow in Korean 1100 GMT 9 Jul 91

[Commentary by (Aleksey Kondradiyev) from the "Focus on Asia" program]

[Text] It was reported from Pyongyang that the DPRK officially submitted an application for UN membership.

Commenting on such a report by the DPRK Government, commentator (Aleksey Kondradiyev) said the following:

The aspirations of the people in the divided (?country) to reunification will be (?achieved.)

Both Pyongyang and Seoul are striving to realize national reunification, a long-cherished national desire. Proceeding from this historic point, people appraise the foreign policy of the (?two Koreas).

The two sides of Korea are actively seeking ways to approach to each other. Pyongyang insisted on the view that separate entry of the two states of Germany into the United Nations would perpetuate the nation's division. It was not difficult to understand such feelings by the Koreans under the cold war conditions. However, there was an instance of separately entering the United Nations by two independent states. But in the case of Germany, the issue of UN membership was not linked with the issue of national reunification. The justness of the German people's action has been proven.

It is pleasing that Pyongyang is freeing itself from its stereotyped position on the reunification issue. It is also very noteworthy that the ROK welcomed the decision of the DPRK to apply for a UN membership. The ROK stated that it will submit an application to the United Nations late this month or early next month.

The plans of two Koreas to enter the United Nations will be a step conducive to the reunification of Korea. After entering the United Nations, Pyongyang and Seoul will have the possibility of presenting their views and opinions in the international arena.

They will be able to inform world circles of their policies and methods for normalizing the situation on the Peninsula. For example, the DPRK mission will have the opportunity to introduce its peace proposals including the proposal for large-scale disarmament by two sides and turning the Peninsula into a nuclear-free zone, as well as the opportunity of directly informing the people of such proposals.

It is anticipated that the two Korean states, which will come forward to the international arena, will hold more sincere, forward- looking, and constructive dialogue for national reunification.

Such a dialogue between the two Korean sides will undoubtedly contribute to solving the question of Korea's reunification. No one should (?hinder) this course. No one can give definite answers to the Korean people as to the method of reunification.

I hope that the future dialogue between the two Korean sides will be held not only at the 38th Parallel division but also within the capacity of the United Nations.

Southeast Asia & Pacific

Shenin Comments on CPV Congress, Relations

BK0307083791 Moscow Radio Moscow in Vietnamese 1200 GMT 1 Jul 91

[Interview with A. Shenin, Member of the CPSU Central Committee Politburo, Secretary of the CPSU Central Committee, and head of the CPSU Delegation attending the CPV Congress by an Unidentified PRAVDA Correspondent; date, place not given—read by announcer]

[Text] [Correspondent] What impression do you have on the national congress of the Communist Party of Vietnam [CPV]?

[Shenin] A good one. The admirable thing is that the Vietnamese Communists had prepared well for the congress. One week before the congress officially opened, their delegations met to discuss the essential issues. The documents passed clearly show that the CPV is loyal to their choice of socialism. The renovation line being applied in Vietnam represents their concern for the people.

The party platform is initially aiming at solving the socioeconomic problems, and of course it was not met by any opposition from anybody who is seriously concerned about working people and the public's interest. At the same time, Vietnam is creating chances for itself. Although difficulties are still there, some changes are

clearly present in the economic field, which are highlighted against the background of a stable political system.

The congress delegates analyzed the past as well as the bright future prospects of the country. They calmly criticized and they did not mean to humiliate anybody. The aging comrades who asked to leave the political bureau have been placed in respectful positions.

We thank the Vietnamese Communists for their good words concerning the USSR Communists and people, and for their warm reception for us; although there are complexities in the two countries' relations, including faults created by the USSR. At the congress, there were no negative statements made about us. The Vietnamese comrades understand that we are going through a difficult period, and it is hoped that these difficulties will be overcome and the relations between the two countries will develop satisfactorily.

[Correspondent] Do you have any opinions on the relationship of the CPSU and the CPV?

[Shenin] The relationship between the two parties is fairly good, and exists both at the provincial congresses and the national congress. The evidence of the good relationship is the meetings between CPSU General Secretary Gorbachev and CPV General Secretary Nguyen Van Linh and Do Muoi last May. But I think in the current situation, that is not enough. In USSR, we have reform; in Vietnam they have renovation; and we have something to learn from our Vietnamese friends. In order to learn, it is necessary to increase the contacts. When the party budget is limited, party members need to do their best when they travel with local governments and social organizations on their visits to Vietnam. From these visits we can reap great benefits. We would like to learn about the party organization work. In this area the Vietnamese Communists are following a line that is more stable than ours; they have a clear direction. The resolutions of their party on political issues in Vietnam are not contradictory to the development of the market oriented economy. I think the CPSU needs to think about this.

[Correspondent] What can you say about the commercial and economic relations between the SRV and USSR?

[Shenin] Viewed as a human relationship, I feel that what is happening in this field is the violation of established relations and a breaking of promises. We cannot understand why when changing to the market oriented economy we started to cut off relations with previous customers with whom we had had relations for many years. Here, we can cite the implementation of new ideas in Vladivostok, (Brackmoiroscow), and (Haberowski). If we do not pay enough attention to the development of the commercial and economic relations in this region and if we do not advocate the fullest use of our position there, the entire region will be affected because the situation in Laos and Cambodia is similar to what is happening in Vietnam.

I do not know who can explain why we do not accept rice, shoes, and other consumer goods that are ready to be transported to the USSR from Vietnam. Our unreadiness at government level is inexplicable. I hope that the relevant offices will solve this problem. For example, transportation from Vietnam to USSR requires the most serious review.

I think, finally, any newly-arising difficulties will be overcome by the efforts of the Soviet Union and the Republic organs, and that these will meet the vital interests of the USSR and SRV people.

Obstacles to Cambodian Settlement Viewed

91UF0937A Moscow KRASNAYA ZVEZDA in Russian 28 Jun 91 First Edition p 3

[Article by A. Golts: "A Chance for Cambodia"]

[Text] I doubt that the journalists who gathered at the staircase in the Royal Cliff Hotel in the Thai city of Phatthaya seriously expected good news. The situation that had taken shape with respect to the meeting of the Cambodian Supreme National Assembly with representatives of the armed opposition did not promise positive changes.

In fact, world experience shows that the settlement of regional conflicts, whether they be in Nicaragua or Angola, is always an extraordinarily difficult and protracted affair. However, even on this plane the Cambodian problem occupies a special place. Just consider: For more than two decades there has been blood-letting in the country, without pause. And attempts to quench the fire of conflict seem to have been a special kind of circular obstacle course. A race with no end.

Here it must be recognized that some constructive ideas have emerged recently about how to bring peace back to this exhausted country. The United Nations has worked out a special plan for this. However, as soon as the talks, which are being held between the opposition and the Phnom Penh government, show any kind of noticeable progress, the Khmer Rouge—the successors to the terrible Pol Pot regime—create a new impasse situation. This situation has been maintained ever since the time of the UN-sponsored Paris conference right through to the recent fruitless meeting in Jakarta.

This is why the journalists who had gone to Phatthaya were hardly counting on anything sensational. However, those who displayed patience and persistence were rewarded with an unexpected report from Prince N. Sihanouk. During the course of an improvised press conference right there on the staircase of the hotel he informed us that all parties had unconditionally agreed to a cease-fire. Moreover, agreement had been reached on halting all military aid to the groupings involved in

the conflict. Finally, it had been decided to locate the headquarters of the Supreme National Assembly in Phnom Penh. The representatives of the five states that are permanent members of the UN Security Council and the states participating in the Paris conference, will be accredited there. There will also be ASEAN representation and representation from the UN secretary general. And N. Sihanouk himself, who has been playing an increasingly active role in the settlement, will go to Phnom Penh in August rather than in November, as had been planned.

Say what you will, Prince Sihanouk showed great skill in convincing the Khmer Rouge and his allies in the coalition to agree to these decisions. Answering questions about how he managed to do this, he was unusually restrained: "That is a state secret that I cannot divulge." It seems, however, that it is not just a matter of Sihanouk's diplomatic talents. Evidently China, which has also been supplying weapons to the Khmer Rouge, has used its influence on the grouping. In short, the results of the meeting in Phatthaya offer yet another chance for a quick settlement in Cambodia.

But this is just a first step toward the establishment of peace. There are still many obstacles along the road to a settlement. In particular, no agreement has been reached on how UN forces will monitor the cease-fire. And the monitoring by the forces of the Supreme National Assembly that was arranged has shown that it is ineffective: The cease-fire agreement has been repeatedly violated. The possibility of continued conflict also exists because, in addition to the Supreme National Assembly, the Phnom Penh government and the opposition government will be functioning until the general elections. There is also the suspicion that in addition to Phnom Penh, representatives of the Khmer Rouge intend to set up bases on some kind of "free territory."

No matter how the situation develops, however, today in Phatthaya it has been possible to get out of an impasse situation. For how long? The immediate future will show.

Near East & South Asia

Consul Urges Assam Front Not To Harm Engineer

BK0907145691 Moscow Radio Moscow in Hindi 1300 GMT 9 Jul 91

[Text] The Soviet consul general in Calcutta, (Asanchuk), has appealed to the United Assam Liberation Front to release the Soviet engineer, Sergey Grishchenko, who worked in Assam mines under an agreement. He was kidnapped along with 14 Indian employees and taken as hostage a week ago. The Soviet consul general said that Grishchenko was working for the welfare of the Assam natives. He said telegrams are being received from the Soviet Union appealing for assistance in securing the release of the Soviet engineer.

Moscow Radio also appeals on its behalf to the United Assam Liberation Front not to inflict any harm on the Soviet expert.

Engineer Killed in Escape Attempt

LD0907184391 Moscow TASS in English 1819 GMT 9 Jul 91

[By correspondent Boris Zaytsev]

[Text] New Delhi July 9 TASS—Soviet specialist Sergey Grishchenko kidnapped by the United Assam Liberation Front on July 1, has been killed during an attempt to escape, a Front spokesman said today, the UNI and PTI news agencies report.

Yazov Meets Iran Air Force Commander

LD0907182291 Moscow All-union Radio Mayak Network in Russian 1800 GMT 9 Jul 91

[Text] Marshal of the Soviet Union Yazov, USSR minister of defense, today received the commander of the Air Force of Iran, Brigadier General Sattari Mansur, who is in the Soviet Union on an official visit. Matters relating to the deepening of mutual understanding and trust and the development of military contacts between the two countries were discussed. The meeting took place in an open and friendly atmosphere.

Commentary on Li Peng's Visit to Iran

NC0907120491 Moscow in Persian to Iran 1430 GMT 8 Jul 91

[Commentary by Yuriy Andreyev]

[Text] Chinese Premier Li Peng arrived in Tehran on an official two-day visit on Sunday, 7 July. Our commentator Yuriy Andreyev writes:

Li Peng is currently touring a series of Near and Middle East countries. To date, he has visited Egypt and Jordan. Following his talks in Tehran, Li will visit Saudi Arabia, Syria, and Kuwait.

Observers point out that this is the first visit by the Chinese leader to the region after the Kuwaiti crisis. The strategic objective behind this visit is apparently to strengthen Beijing's position in the Persian Gulf with the new array of forces. Li's visit to Tehran should be viewed within this context. His discussions with President 'Ali Akbar Hashemi-Rafsanjani will obviously determine the nature of Iranian-Chinese relations for a relatively long time.

Existing facts demonstrate that talks between Beijing and Tehran will focus on three topics. In the political field, the two sides will try to overcome the recent unpleasantness in bilateral relations. As we know, following the Islamic Revolution, Beijing and Tehran were mired in a propaganda war—due in part to the close relations Beijing maintained with the shah of Iran. Tehran accused Beijing of supporting and financially

assisting pro-Chinese groups. But realism and mutual forbearance gradually prevailed in the relations and a few years ago the two sides signed a statement in which Iranian-Chinese relations were described as friendly. The statement termed relations between the countries as relations that lead to the expansion of mutual understanding and international cooperation.

Apparently new vigor will be instilled in the political discussions between the nations. In addition, Iranian-Chinese cooperation in the economic field is expected to be integrated. Tehran is China's primary Middle East trading partner. China purchases between 1 to 1.5 million tonnes of crude oil from Iran annually. Observers estimate the annual volume of Iranian-Chinese trade is $600 million.

This figure, however, does not include the military exchanges between Beijing and Tehran. According to independent experts, during the past four years alone Iran has purchased about $5 billion worth of Chinese arms.

In conclusion, the Islamic Government and China can successfully cooperate in foreign policy. The two sides are seriously concerned about the increased U.S. involvement in the Persian Gulf and tenaciously support the view that Persian Gulf security should be primarily solved on a regional level.

In short, Tehran and Beijing have many things in common and the current talks will probably be successful.

Israeli Consul Views Impact of Immigration

91UF0956A Moscow ARGUMENTY I FAKTY in Russian No 26, Jul 91 p 2

[Interview with A. Levin, consul general of Israel in the USSR, by ARGUMENTY I FAKTY correspondent D. Makarov; place and date not given: "In Israel There Is a Russia Cult"]

[Text] [Makarov] Mr. Levin, permit me to begin our interview with a somewhat strange question. There are quite a few peoples confessing Judaism. They include the Karaim in the Crimea and Lithuania, the Tat in Azerbaijan, and the Falasha in Ethiopia, there are the Bukhara Jews and the Arab Jews—the Sephardim. Each of these peoples has its own history, its own inimitable culture.

They all have one thing in common: the religion of Judaism. Can they all be called Jews? If someone tomorrow accepts Judaism, say, does he become a Jew? And, the other way about, the deceased Orthodox priest Aleksandr Men was, according to his passport, a Jew.

[Levin] You have touched on a very painful question, which is being discussed both with us in Israel and in the Jewish communities in other countries. This question is 3,500 years old.

You ask, is it possible to become a Jew. It is. For everyone. But for this it is necessary to penetrate the essence of Judaism, accept its rites and traditions, pass tests, and prove in practice devotion to the faith and the people. Judaism is based not on racial distinctions, there are black-skinned and yellow-skinned Jews.

It is essential to perceive one's spiritual and blood affiliation to the Jewish people. This has not always been easy in the environment in which Jews have lived.

[Makarov] What do you think, are economic or other factors playing the main part in the departure of Jews from the USSR?

[Levin] I would not say that the reasons are purely economic. It is all far more complicated. In the 70 years of Soviet power Jews in the USSR lost their national character as a people. They lost their historical, cultural and, yes, religious roots. A people without roots loses its value for the state in which it lives.

All these years Jews in the USSR were not allowed to live as Jews but at the same time they were not allowed to live as Russians either.

[Makarov] What difficulties are Soviet Jews leaving for Israel encountering?

[Levin] They know, in the main, for what they are headed. Housing and jobs—these are the two main problems. People are very well aware of them, but despite this they still go. Consequently, the difficulties they encounter here outweigh those that await them there. It seems to me that people are simply afraid that they and their children will be unable in the USSR to give an account of themselves and reveal their capabilities to the full extent. There are certain grounds for such misgivings: It is harder for Jews to enroll in certain educational institutions, and they have been prevented from holding certain positions.

[Makarov] Again it is not only the Jews who were deprived of the possibility of giving a full account of themselves. A person of any nationality who disagreed with the powers that be in some respect fell into the "untouchable" category. But I am worried about the fate of the "passport" Jews—philologists, philosophers, historians, in a word, men of the humanities—exponents and builders of Russian culture. I fear that things will go badly both for those who have left and for culture without one another.

[Levin] It was the case historically that almost all the founders of the state of Israel were exponents of Russian culture. These included the first president of Israel, C. Weizman, Prime Minister L. Eshkol (Shkolnik) and M. Sharet (Chertok). Zhabotinskiy—a founder and ideologist of Zionism—was a brilliant Russian poet and translator, well known at the start of the century. One has only to open a textbook of the history of Israel to see that it was created by natives of Russia. Israel is, perhaps, the sole country in the world in which Russian culture and the Russian way of life are being solicitously preserved.

I believe that it can be said without exaggeration that Israel is a kind of affiliate of Russia.

[Makarov] It is maintained that natives of the USSR constitute 20-25 percent in your country.

[Levin] What you are talking about is bare statistics. This figure includes merely those who were born in the USSR. In actual fact we have far more "Russians." There is a multitude of young people born in Israel whose parents came from Russia. These young people aspire to come to the homeland of their ancestors sometimes more strongly than those who lived part of their lives here.

It may be said that there is a cult of Russian music in Israel. All of Russian classical literature, poetry primarily, and the best modern authors have been translated into Hebrew. Therefore these 20- 25 percent about whom you speak are merely the upper, visible part of the iceberg of the cultural and even political influence of Russia on our country.

[Makarov] If the majority of the population of Israel is composed of natives of Russia and if we have common problems, will Israel not ultimately become a republic of the Union of Soviet Socialist Republics?

[Levin] This can hardly be imagined. Israel has not become the 51st member of the United States, although there was much joking on this subject about 20 years ago. There is no doubt about one thing: The USSR and Israel will draw increasingly close together inasmuch as this is in the interests of both countries.

East Europe

Reportage on Yugoslav Situation Continues

Envoy Comments on Talks

LD0907152491 Moscow TASS in English 1125 GMT 9 Jul 91

[By correspondent Aleksandr Kondrashov]

[Text] Belgrade July 9 TASS—Nobody should interfere in Yugoslavia's internal affairs, all should help it solve its complex problems within a constitutional framework, preserving its territorial integrity and inviolability of borders. Failure to achieve this would produce a dangerous precedent that could signal Europe's return to arguments and contradictions of the 19th century, President Gorbachev's special envoy Yuliy Kvitsinskiy told TASS after completing a goodwill mission to Yugoslavia.

During his stay in the country, Kvitsinskiy held talks with leaders of the Yugoslav Federation, presidents of Serbia, Croatia and Slovenia and with Yugoslavia's foreign and defence ministers.

All meetings with Yugoslav officials were held in a constructive and frank atmosphere, Kvitsinskiy said.

"We did not argue, did not impose our own opinion. We wanted to understand the perspective, the role of political forces in order to forecast the Soviet policy on the Yugoslav issue and find out cooperation opportunities between the Soviet and Yugoslav foreign policies," Kvitsinskiy said.

"We are not indifferent to developments in Yugoslavia both in terms of maintaining disarmament and cooperation in Europe and in terms of a similarity of Yugoslav and Soviet problems," he said.

"It is important that decisions taken by the international community in connection with Yugoslavia correspond to the principles of international law, that the conflict does not [word indistinct] international scope and that there is no [words indistinct] Yugoslavia's internal affairs," he said.

The international community should provide aid within limits acceptable to the Yugoslavs, he said.

"Our interest is friendly. We sympathise with Yugoslavia and believe that its very existence as a state is an important factor maintaining unveiling positive processes in Europe," he said.

[Words indistinct] under the influence of separatist forces will lead to very serious consequences both in Yugoslavia and other European [words indistinct].

Asked about Yugoslavia's de facto disintegration over the past few days, Kvitsinskiy said that decisions by Slovenia and Croatia to declare independence were unilateral.

They have not been recognised by Yugoslavia's central authorities or abroad. The international community wants to preserve a united Yugoslavia.

Discussions in Belgrade, Zagreb and Ljubljana revealed that the sides, although having conflicting viewpoints, understand the need to preserve a united Yugoslavia on a new basis, he said.

"I want to believe that this [words indistinct]," he said.

U.S. Policy Meets 'Private Disapproval'

PM0907201591 Moscow IZVESTIYA in Russian 10 Jul 91 Union Edition p 5

[Article by M. Yusin: "Yugoslav Conflict: The USSR's Stance"]

[Text] At the end of last week the USSR president's special envoy Yuliy Kvitsinkiy, first deputy minister of foreign affairs, flew to crisis-hit Yugoslavia. Over a period of three days he went to Belgrade, Zagreb, and Ljubljana and met with the federation leadership and the leaders of Slovenia and Croatia.

Another noteworthy step by Soviet diplomacy in the Yugoslav sphere was the messages Aleksandr Bessmertnykh sent to the foreign ministers of France, the FRG,

Britain, the United States, China, and the countries bordering Yugoslavia. A senior Foreign Ministry official set out the main ideas contained in Bessmertnykh's letters. The USSR favors a peaceful settlement of the crisis, but Yugoslav unity must be preserved. Moscow points out that the provisions of last month's Berlin statement by the 35 CSCE states in support of the country's integrity still stand. Bessmertnykh warned against interference in Yugoslavia's internal affairs and urged people to prevent the internationalization of the conflict.

In this connection it is interesting to trace the evolution of the Soviet Union's stance on the Yugoslav crisis and the extent to which it coincides with the approach of the other CSCE process participants. The first reaction to the actions of Croatia and Slovenia was more than cool—in Moscow, in Washington, and in the majority of European capitals. The position was basically as follows: the integrity of Yugoslavia and stability in the Balkans above all else. Any unilateral steps would create undesirable tension in the region. No country recognized Slovenia or Croatia. The 35 CSCE states thus confirmed their adherence to the Berlin statement. Not one of the foreign ambassadors accredited in Belgrade went to Ljubljana to celebrate Slovenia's independence. The republics that had announced their secession from the federation found themselves almost totally isolated internationally. But not for long.

Subsequent events in Slovenia significantly altered the positions of many states. The hostilities that occurred in the republic, on the one hand, demonstrated the obstinacy and highly developed fighting qualities of Slovenian territorial defense and, on the other, showed the Yugoslav Army in a bad light after it brought discredit on itself as a result of the generals' bellicose ultimatums, the reluctance to submit either to the head of state or to the government, the bombing of airports and the television center in Slovenia, and the firing on demonstrators in Croatia.

A new tone crept into the statements by representatives of the United States, Britain, the FRG, Italy, and Austria. At first the idea was put forward that the responsibility for the dramatic development of events lay not only with Slovenia and Croatia, but also with other republics (meaning Serbia above all) and with the central government. The first to talk in that vein was British Foreign Secretary Douglas Hurd. Then several EC countries declared that SFRY integrity should not be preserved "at any price," hinting at the possibility of recognition of the independence of Slovenia and Croatia if the price the Yugoslav Government is willing to pay for their return to the federation is seen as too high.

The United States delineated its position even more sharply, stating that it might recognize the two republics' independence if their talks with the center reach deadlock. Commentaries in Western papers are increasingly suggesting that the only thing that can stop further bloodshed is international recognition of Slovenia and Croatia, whereas the statements in support of Yugoslav unity that were made in the initial days of the crisis inspired the Army to the forceful action which brought the country to the brink of civil war.

The events in Slovenia did not make the Soviet Union, unlike the Western states, abandon its original assessments although some diplomats saw "new nuances" in the latest Foreign Ministry statement on Yugoslavia, in the part about the need for a peaceful dialogue. However, we did not condemn the Army actions in threatening a coup d'etat. Explaining this "balanced" approach, a Foreign Ministry spokesman said that current information does not provide a clear picture and it is very hard to decide who is most to blame for the violation of the truce.

There is private disapproval of the U.S. stance in Moscow. According to some diplomats, it is the United States that is displaying an "ideologized approach" to the Yugoslav crisis, which is something it has accused the USSR of championing for so many years. Washington, they believe, is inclined to regard the situation in Yugoslavia as a conflict between the communist leadership of Serbia and the democratically elected parliaments of Slovenia and Croatia. It is on this basis that it shapes a political course that is increasingly friendly toward the "separatists."

One diplomat had another idea to explain the position of the Western politicians who, he believes, are under the influence of the Baltic factor and are extrapolating the situation in the SFRY to the USSR's relations with Lithuania, Latvia, and Estonia—which generates extra sympathy for the breakaway republics.

One might agree that there are parallels between the Baltic republics and Slovenia, but the impression is that it is not so much the West as the Soviet Union that is shaping its approach on that basis. The domestic political situation in the USSR has predetermined our course on the Yugoslav crisis. No matter how the situation develops in the SFRY, the Baltic problem is going to weigh heavily on Soviet diplomats for a long time yet. To all appearances, the USSR is going to remain the Yugoslav Government's loyal ally and, if it does come to international recognition of the independence of Slovenia and Croatia, Moscow will be among the last to take that step.

Gorbachev Congratulates Mesic on Post

PM1007081591 Moscow PRAVDA in Russian 6 Jul 91 Second Edition p 1

[M. Gorbachev message to Yugoslav President Mesic under the "Official" rubric]

[Text] To Mr. Stepan Mesic, president of the SFRY Presidency

Accept these congratulations on your election as president of the SFRY Presidency.

At this difficult hour of trials for Yugoslavia, the USSR, faithful to the 1990 all-European charter, expresses the wish that all the peoples of Yugoslavia agree on peaceful and democratic means of resolving the crisis situation, preserve the integrity of their common state, and ensure the indestructibility of its borders.

I hope for the preservation and strengthening of the traditional relations of friendship and cooperation between the Soviet Union and Yugoslavia.

I wish you, Mr President, success in such a responsible post at such a responsible moment for your country.

M. Gorbachev.

European Context of Events

PM0907151791 Moscow KRASNAYA ZVEZDA in Russian 5 Jul 91 First Edition p 3

[Article by Major M. Pogorelyy under the "World Today: Problems and Judgments" rubric: "Let the Guns Fall Silent..."]

[Text]It would obviously be no exaggeration to say that close attention throughout the world, particularly in Europe has been riveted on the tragic events of the last few days in Yugoslavia. The Slovenian and Croatian parliaments' proclamation of these republics' independence has, to all intents and purposes, raised the question of the sovereign state's integrity. Yet the existence of a unified independent Yugoslavia is an important element for stability in the Balkans and Europe as a whole.

The international community has seen in the Yugoslav separatists' desire to attain their ends at any price not only the danger of civil war in this country but also an attempt to ultimately change the political map on the continent by force. And that cannot help but arouse serious concern. One way out of the prevailing situation presents itself—peaceful dialogue, steps to accommodate one another. Especially since there are vivid examples in world and European practice of settling complex situations. One being German reunification only last year. It occurred peacefully and democratically with the support and approval of the world community. The consequences of the world war were removed and the process of unification rather than fragmentation of states was perceived in a largely positive light by both the partners and the former enemies. In the case of fragmentation it is inevitable that not only individuals but also whole ethnic groups, peoples, nationalities, and nations suffer profound trauma. And that is fraught with the possibility of more partitions, recarving of the map, and "restoration of justice" in the future—scarcely bloodless, painless processes, besides...

I cannot refrain from citing London's TIMES: Slovenia and Croatia "prefer to look more to the past and settle old scores than seek ways of transforming the country." You will agree that this idea can not only be ascribed to these two Yugoslav republics. Unfortunately, certain political forces in other European countries, in the USSR too, are earnestly involved in similar, hopeless, but extremely dangerous "excavations of antiquities."

For instance, last week loud demands were voiced not at street rallies but in the Romanian parliament for the territories of Bessarabia, Northern Bucovina, and the Gertsa area, "annexed by the Soviet Union," to be returned along with South Dobruja, "occupied by Bulgaria," not to mention Transylvania. Appealing to the Romanian parliament, Foreign Minister A. Nastase urged the legislators to abandon emotion in favor of "common sense, responsibility, and reason" and build bridges of cooperation and mutual understanding. It has hitherto proved possible to localize the upsurge of passions.

Extremist circles in Poland, Czechoslovakia, and even in Finland are also making territorial claims on our country. Circles that take B. Mussolini's aphorism "peace treaties are not eternal" as a guide and deliberately disregard moral ideals in politics.

Why is it that these processes have developed particularly rapidly in Eastern Europe over the last year or two? What is this—the inevitable "childish ailments" afflicting the young democracies or, rather, not such inoffensive manifestations of unhealthy nationalist movements? It is certainly no coincidence that this frenzied and unrestrained upsurge by the Yugoslav republics has aroused extremely serious misgivings in many countries—fears that these events may, in the opinion of the U.S. Administration, "cause a destabilizing chain reaction in Eastern Europe."

It is typical that at a time when headlines like "Burial of the Warsaw Pact," "Obituary," and so on are appearing in the press in countries that used to be our allies in connection with the 1 July decision for the Warsaw Pact to cease to operate, that Western reaction was more calm and restrained. Thus, NEW YORK TIMES correspondent S. Greenhouse noted: "The decision to disband the Warsaw Pact leaves Eastern Europe without its own security structures in the face of a tough crisis in Yugoslavia. Many people in Europe fear that the forces tearing this country apart will cause instability in other countries to the east." Bad examples are, indeed, contagious. That is probably why there has been no rush to recognize the "sovereign states" of Slovenia and Croatia, which have emerged independently, as parties to the European process. That would, after all, inevitably encourage separatists in other countries with nonestablished democratic mechanisms.

One can understand and agree with the claim made by a commentator for Germany's KOELNER STADT-ANZEIGER, who reckons that, despite the Warsaw Pact's ceasing to operate de facto, "that is no cause for particular celebration. The presence of a political union (not a military bloc—M.P.)—to counteract NATO—would facilitate progress in creating a pan-European home." Whether we like it or not, this home must be built on the existing foundation—the political system on the continent as

recorded and enshrined in the 1975 Helsinki Final Act and the 1990 Paris Charter for the new Europe. Any attempts to replace the blueprints outlined within the CSCE framework with maps from the archives (appendices to the Ribbentrop-Molotov Pact and plans dating back to the times of the Ottoman, Austro-Hungarian, or Russian empires are not so important) will not result in the building of a single pan-European home, but—and there is no doubt of this—in arguments over "square meters" in the neighbors' apartments.

Needless to say, it would be simpler to conduct European dialogue between groups of allied states. It would thus be possible to uphold each of the participants' interests with greater ease and more fully. However, you cannot get away from political realities: One of the alliances, the Warsaw Pact, no longer exists (the requisite ratification of this decision by the six countries' parliaments is a matter of time). Left face to face with an encirclement that is not always friendly, "relieved of Moscow's oppression," they have reached out to... the United States and NATO. According to a high-ranking Western diplomat in Moscow, many states are fighting to keep the U.S. military presence in Europe—as a guarantee in the event of pressing claims by their neighbors. Although the diplomat did not name specific names, everything indicates that he was talking about Bulgaria, Hungary, Poland, Romania, and Czechoslovakia. The others are protected either by their involvement in NATO or by official universally-recognized neutrality.

However, it seems that sober assessments of the impossibility of shouldering the burden of extra commitments nonetheless prevail at present within NATO notwithstanding the temptation of the idea of delighting in an ideological victory over former "Communist" adversaries. Speaking at the last sitting of the NATO European Group in Washington, U.S. Defense Secretary R. Cheney once again stressed the significance of CSCE mechanisms as an effective means, a "convenient starting point for resolving certain problems (that was how the Pentagon chief tactfully defined issues of external security—M.P.) that our friends in Eastern Europe are experiencing." Incidentally, "U.S. friends in Western Europe" are going even further, proposing to cut back certain jobs at NATO Headquarters since "CSCE institutions are increasingly assuming political responsibility for Europe's future."

It is above all a question here of the Conflict Prevention Center, the first practical test of whose effectiveness will be the Yugoslav crisis. If the states of Europe and Northern America together can find a peaceful, effective way out of this conflict, one will be justified in thinking that we have all firmly chosen the road toward the ideal nonviolent world. If, contrary to expectation, that does not prove to be the case, the talk of a new world order is still just utopian.

...Meanwhile Italian troops are moving up to the Yugoslav border. Strike detachments are being formed from Austrian Armed Forces' units and subunits and moved up to the "line of security," and tank and aviation units have been put on combat readiness. Although most political scientists agree that the "Yugoslav crisis will not be the start of World War III," that is insufficient comfort now. Since only six months ago we saw for ourselves that local or regional armed conflicts are extremely dangerous nowadays for individual states and for mankind as a whole. Only one battlefield seems acceptable and fitting today for people at the end of the 20th century—the diplomatic battlefield. And let the guns fall silent...

Paper Draws Soviet Parallels

PM1007085991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Jul 91 p 4

["Our Commentary" by A. Mursaliyev, as part of a feature under the general heading "Why the Balkan Volcano Has Stirred"]

[Text] The situation in Yugoslavia is almost identical to ours. Our strife-torn Nagornyy Karabakh is their Kosovo, our Baltic region with its clear hankering after the West is their Slovenia and Croatia, our cautious Central Asia is their Muslim Bosnia and Hercegovina. Our Russia is their Serbia, which the other republics are accusing of hegemony, great-power chauvinism, diktat, and so forth. And the center—eroded, vacillating, and always late with decisions.

This is probably logical. The solar attraction has disappeared, the basis of the empire—communist ideology—has collapsed, and the republic-planets have begun to hurtle off in different directions, attracted by other and more powerful systems. Yugoslavia's restructuring, which began after our perestroyka, rapidly overtook it and got too far ahead of itself. We, too, have seen tanks in the capitals of the republics but have not descended to open war between the center and the republics. Is the point perhaps that in Yugoslavia the scale is smaller, and therefore events develop at a faster pace? Can we, too, expect wars between the center and the republics in the near future? Especially since all the preconditions for that would seem to exist: National armed forces, a war of laws, and declarations of sovereignty and independence by six whole anti-Novo-Ogarevo republics.

However, I think that events in Yugoslavia are one likely model of the future USSR, just like China after Tiananmen. Clearly it is not only and not so much a question of scale as of the actual disposition of political forces, first and foremost in the republic that forms the nucleus—Russia. The Yugoslav variant in the USSR would be close and perhaps even would already have become a reality had the Russian presidential election on 12 June chosen one of the national-communist old guard, as happened at the elections in Serbia. You will recall that some candidates were urging that recalcitrant republics be brought to heel by force of arms. Today they have failed.

What will happen tomorrow?

Yanayev, Bessmertnykh Meet With CSFR Leaders

PM0907143591 Moscow IZVESTIYA in Russian 3 Jul 91 Union Edition p 5

[TASS report: "Talks in Prague"]

[Text] Prague, 2 Jul—USSR Vice President G. Yanayev and USSR Foreign Minister A. Bessmertnykh, who are here to take part in the Warsaw Pact Political Consultative Committee conference, have met with Alexander Dubcek, chairman of the CSFR Federal Assembly. The features of the current stage of and prospects for Soviet-Czechoslovak relations, which have many good and fine traditions, were examined in a broad historical context.

During G. Yanayev's talks with CSFR Premier Marian Calfa there was a meaningful discussion about the measures which both sides should take to remedy the major shortcomings that have emerged in USSR-CSFR economic ties. The need during the transitional period to combine market methods with forms of economic cooperation which have proved their worth was noted.

At A. Bessmertnykh's meeting with CSFR Foreign Minister Jiri Dienstbier main attention was devoted to the problems of preparing a new bilateral treaty and to Soviet-Czechoslovak economic cooperation. It was noted that the draft treaty formulas which are still outstanding should be finalized in the light of the sides' joint desire to strengthen confidence and to further develop and stabilize relations.

Skubiszewski on 'Difficult Patch' in Relations

PM0907154591 Moscow IZVESTIYA in Russian 4 Jul 91 Union Edition p 1

[Unattributed report from IZVESTIYA, TASS, INTERFAX, POSTFACTUM, AFP, and REUTER roundup: "Poland-USSR: Thorny Path to Agreement"]

[Text] Polish Foreign Minister Skubiszewski has stated in an interview with the Belgian newspaper LA LIBRE BELGIQUE: Relations between Poland and the USSR are going through a difficult patch. Things are going badly on the trade front, but we are holding talks and there are some signs which lead us to hope that the situation can be rectified. Moscow is dragging out the withdrawal of its troops, but here too talks are making slow progress toward compromise with regard to a final date some time in 1992-1993. Moreover, the problem of troops being withdrawn from Germany via Poland has been resolved. An agreement on this question will be signed soon.

Troop Withdrawal From Poland Continues

PM0907143391 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 1 Jul 91

[From the "Vremya" newscast: Report over video from Szczeczin]

[Text] A Northern Group of Forces battalion of combat engineers has left Szczeczin for the USSR. There are no more Soviet soldiers in the city now.

The return of military units to the motherland continues even though no treaty on the withdrawal of Soviet troops from Poland has yet been signed. In the space of one month alone more than 1,500 railcars loaded with military freight have been dispatched to the USSR.

Soviet Funds Mean New Life for Ikarus Buses

PM1007082691 Moscow IZVESTIYA in Russian 4 Jul 91 Union Edition p 4

[Report by correspondent F. Lukyanov: "New Life for Ikarus"]

[Text] Budapest—After several months of talks and open international competition involving world-famous firms, an agreement has finally been signed in Budapest to set up the Ikarus joint-stock company in which the Soviet side will own about half the shares.

After the abolition of state subsidies last year, one of Europe's largest bus plants found itself on the verge of financial ruin. The output of buses, about half of which went to our country, was also placed in jeopardy.

"When we heard that Ikarus was going bankrupt, we fully realized what this plant and its output means for the Soviet market at a time when our country is short of 15,000 buses a year," V.P. Morozov, USSR first deputy minister of automotive and agricultural machine building, said in an interview with an IZVESTIYA correspondent. "Suppose Ikarus had been bought by Mercedes-Benz. I am sure that the very next day the current models would have been removed from the production line and replaced with Western models which might have been a bit better but would have been twice as expensive—on the order of $130,000. Which means that the number of new buses on urban routes in our country would have been halved. Therefore, when our Soviet joint-stock company Ateks joined the fight for Ikarus along with distinguished foreign firms, the main aim was to maintain the output of Hungarian buses and, what is particularly important, of spare parts for them—after all, there are tens of thousands of vehicles in service in our country; to ensure stable deliveries to the Soviet market of at least 6,000 vehicles a year; and, of course, to make a profit from the export of Ikarus buses to the world market. Moreover, what is most important in current conditions is that not one cent from the Soviet state treasury has been spent on finding a solution to the problem. The $50 million that have already been invested in the matter and the $50 million still to be invested, have been 'forked out,' as the saying goes, by Ateks itself."

According to the incorporation documents relating to the establishment of the Ikarus joint-stock company, in time the Ateks share could reach 48 percent of the incorporation capital. The Hungarian side's share, that

of the Hungarian state, which is contributing to the joint-stock company Ikarus property and property belonging to the Csepel motor vehicle plant that is cooperating with it, is fixed at 51 percent. The other 1 percent is reserved for the third participant in the joint-stock company—the Central European Investment Fund headed by the well-known Hungarian entrepreneur S. Demjan. The Soviet side is committing itself to buying 6,000 buses a year for the next five years, and the remaining 30-40 percent of output is to go to the world market in exchange for freely convertible currency.

How advantageous is the deal for the Soviet side? We hear this question regularly. Would it not be better for us to let $100 million go on building a new modern plant run jointly with Mercedes, for example, rather than investing it in a less than up-to-date production facility producing what are not the most modern of vehicles?

"The Ikarus plant manufactures buses that are primarily middle of the range, and they are good vehicles," Ateks President Ye.N. Lyubinskiy says. "Proof of this is the fact that Hungarian buses are exported not just to Turkey and Iran, but also to the United States and Canada, with a change of engine and a number of other components, it is true. Ikarus has just won an international competition and will supply 560 city buses to Taiwan. Moreover, the plant also manufactures luxury-class vehicles which are also widely exported...

"Ikarus is fully able to produce vehicles in line with the demands of a given market," the Ateks president continues. "Of course, the enterprise needs modernization. This, in fact, is what the Soviet capital is going on. Besides which, our plans also envisage a qualitative improvement in the basic model of the bus—an updated engine, gearbox, springs, and axles (Ikarus obtains all these components through cooperation). Moreover, this is to be done on a competitive basis and by attracting foreign specialists, since we want the tomorrow's Ikarus bus to come up to all international standards."

West Europe

Further Reportage on Gonzalez Visit

First Day of Gonzalez Visit

PM0907150591 Moscow PRAVDA in Russian 9 Jul 91 Second Edition p 5

[TASS report: "Along an Ascending Line"]

[Excerpts] The tight schedule of the first day of the official visit to our country by F. Gonzalez, head of the Spanish Government, is a reflection of the key tendencies in Soviet-Spanish relations, which are developing along an ascending line.

In the morning the guest honored the memory of the heroes of the Great Patriotic War by laying a wreath at the Tomb of the Unknown Soldier.

Then the main part of the official welcoming ceremony for the guest and his wife, who arrived in Moscow late the previous night, was held. They were greeted in the Kremlin by the USSR President and R.M. Gorbacheva.

Immediately after the state protocol formalities the talks of the two countries' leaders opened. Meanwhile R.M. Gorbacheva and C. Romero Lopez, the wife of the head of the Spanish Cabinet, went on a tour of the Kremlin during which the guest acquainted herself with the Uspenskiy and Arkhangelskiy Cathedrals and the treasures of the Armory. [passage omitted]

Later F. Gonzalez returned to the Kremlin to meet his Soviet counterpart Prime Minister V.S. Pavlov. The program of the first day of the visit ended with a dinner given by the USSR President and R.M. Gorbacheva in honor of the guest and his wife.

Roundup of Visit

LD0907173191 Moscow TASS in English 1650 GMT 9 Jul 91

[Text] Moscow July 9 TASS—Mikhail Gorbachev and Felipe Gonzalez continued their talks in Moscow today, which they first held tete-a-tete and were later joined by the delegations.

Gorbachev briefed Gonzalez on preparations for the U.S. President's visit to the Soviet Union and expressed conviction that talks by Alexandr Bessmertnykh and general Mikhail Moiseyev in Washington on the START treaty would produce the desired result.

Having exchanged views on Monday's meeting at Novo-Ogarevo where an agreement was reached on the concept that the president would discuss with the Group of Seven leaders in London, Gorbachev and Gonzalez devoted much of their time to the Soviet Union's key problem—the Union treaty.

It was viewed conceptually, against the background and in the context of mounting integration processes in the world and, especially, in Europe. The union treaty opens the way for a state with strong democratic traditions and equality of peoples, with the clear delimitation of functions between federal bodies and republics, with the agreed-upon principles without which it can have neither an effective economy nor respectable domestic and foreign policy that will consolidate the union.

Gorbachev told about the experience, through which society has to pass after prolonged stagnation, to appreciate the value a multi- national state, to get convinced about the compatibility of the new union with the real sovereignty of its member republics.

The Union treaty gives the state a new quality which, while being perfected in the course of its functioning, will enable the gradual elaboration of harmonious balance of interests of all its participants. At present, Gorbachev said, life necessitates the earliest signing of the Union treaty.

Delegations were briefed by foreign ministers, Francisco Fernandez Ordonez and Alexandr Bessmertnykh and First Deputy Prime Minister Vladimir Shcherbakov on the talks held at their level. The delegations appreciated the great effort they put in over those days that made it possible to jointly analyse and compare positions on urgent problems of the international and European situation, as well as bilateral relations. A broad commonality of views was revealed here as well, as between the president and the Spanish premier.

Special attention was paid to the economic aspect of Soviet-Spanish ties. Gorbachev and Gonzalez agreed that the political dialogue which has attained an unprecedented maturity and significance, the legal and treaty basis make it possible to raise economic relations between the two countries to adequate level.

It was agreed that the Spanish minister of industry and trade, accompanied by a large group of businessmen, would visit the Soviet Union in September.

Competitive proposals will be made to Spaniards shortly in order to determine specific objects and areas of economic cooperation during the visit. The president said he was going to raise the level of guidance and strengthen the make-up of the Soviet part of the joint Soviet-Spanish commission on economic cooperation.

An agreement was reached to organise regular consultations between ministers, including expert level, on the problems of the Mediterranean and Latin America.

Gorbachev and Gonzalez agreed on the need to have more regular personal contacts in various forms.

Gorbachev-Gonzalez News Conference

LD0907212691 Moscow Central Television First Program Network in Russian 1840 GMT 9 Jul 91

[News conference given by USSR President Mikhail Gorbachev and Spanish Prime Minister Felipe Gonzalez in Moscow on 9 July; with unidentified moderator; Gonzalez speaks in Spanish with superimposed Russian translation—recorded]

[Text] [Gorbachev] Good day, esteemed ladies and gentlemen! During the course of this visit, a further four treaties have been added to the 16 treaties that were signed in Spain during my visit there; and we have attained—and we have only just signed it—a friendship and cooperation treaty between the USSR and Spain. I would like to give my own assessment of all that has happened over these two days.

I have the highest of appraisals. This is probably first and foremost connected with the fact that during recent years profound changes have been occurring in relations between the USSR and Spain. The basis for this exists, and existed before. I am referring to the interest, the centuries-old interest of our peoples in one another. For well-known historical reasons these relations have developed and taken shape in various ways. Although today when I handed Mr. Gonzalez the first volume of documents on our interstate relations—these are being produced in Russian and in Spanish here in Moscow and in Madrid—we discovered that diplomatic documents were in existence in the middle of the 17th century. But there were links even before these. So these links go a long way back into history. This is not just an image, but a record of what actually happened.

During recent years, I would say using the example here of Mr. Gonzalez, the political dialogue has laid a channel for all-round relations to be developed between our states. Our political dialogue really has reached a high level. It is proceeding constructively, in the spirit of great openness, respect and equality and I would even say that it contains cordiality and solidarity and practical involvement. [words indistinct] this, each visit turns into a great event.

It was the same this time. We also devoted much of our conversation, of our conversations, several of them, to what is happening in the world as a whole, where we stand now that we have emerged from the cold war, what we have achieved and what problems face us.

We spoke about the processes under way in the USSR and in Spain and about our cooperation in the context of the development of the situation on the European Continent and in the adjacent regions, taking particular account of what is occurring in the Near East and in the Mediterranean. We informed one another particular thoroughly about how processes are developing in the USSR and in Spain.

We were rather critical when assessing our economic cooperation primarily because it does not correspond with our political dialogue in scale and or fundamental nature. Vast progress has been made here but we are not yet satisfied with the way this cooperation is developing. We have agreed to revitalize the mechanisms that were set up and shaped during different times and to serve one specific scale of cooperation. What I am referring to here is our economic cooperation commission. In particular, we agreed to raise the level, in the first instance from the Soviet side, so that there will be specific people who will keep an eye on the implementation of all the drafts that have already been outlined. We agreed that important talks will take place in September—which we will prepare for now—on expanding economic cooperation.

We also spoke about Latin America. I spoke about the Mediterranean. We spoke about the USSR President's forthcoming meetings in London. So I have told you that what happened so perhaps this will help you to ask good questions and to leave all the bad ones out. I would like to invite Mr. Gonzalez to speak.

[Moderator] Please. [Gonzalez] Thank you very much. I want to take the opportunity once again of thanking USSR President Gorbachev for his invitation to visit the USSR at such an important and interesting moment from the viewpont of the internal evolution, from the

viewpoint of European development, and from the viewpoint of the international situation. I also want to give thanks for the opportunity I have been given, in the course of the dialogue we began in 1986, to learn more about this situation. I think that a description of the contents of the talks splendidly reflects the results we have achieved. In summing up, I would like to note that our political dialogue has reached a very important and intensive level, and this political dialogue encompasses bilateral relations, mutual recognition and mutual standpoints regarding worldwide processes, and also the European situation, and the situation in the world.

In addition to this political dialogue, which is very dynamic and is based on mutual understanding, there are legal mechanisms currently functioning that enable us to begin advancing our relations at all levels. Mr. Gorbachev has already referred to them. We recently signed an agreement which, form the viewpoint of legal relations between the two countries reflects the situation between our countries and the relations between our countries and other countries, such as Italy and Germany. The level of political dialogue, and the legal framework of our relations considerably outstrip the level of economic, commercial, cultural, scientific and technical relations, and this is why we must revitalize these relations both from the political viewpoint, which Mr. Gorbachev has already spoken of and from the economic viewpoint. Cultural interests could also fill our bilateral relations with new content, and bring them up to the appropriate level.

I would like to speak briefly about this area. In Europe we are living in the period following the cold war. Beyond any doubt this has inspired us, and all the peoples of Europe, with considerable hopes. We have also tried to comprehend the new situation on the European Continent within the scope of the CSCE and within the scope of the signing of the Paris Charter. But we note with concern that a new stage is beginning after the cold war requiring us to exert efforts in mutual understanding and respect for everything that was agreed by the member states of the CSCE so that guarantees of security might emerge in the democratic, political, and economic development the entire European Continent is currently experiencing.

There is no doubt that Europe as well as the entire world is living through a new era. But this era is not free of problems and we must—we are simply obliged—to reduce these problems, these doubts and these hesitations to a minimum. This era is of course not guaranteed against any potential conflicts on the European Continent and around the European Continent. For example, the situation in the Maghreb countries, the situation in the Mediterranean, the situation in the Near East—all this is further proof of these words. Yugoslavia can be also added to this list now.

That is why we talked about these issues at our talks. I think that these talks were useful, and, of course, both of us are ready to cooperate to improve the situation in Europe as a whole and in our two countries in particular. Thank you.

[Moderator] Thank you very much. EL PAIS please.

[EL PAIS] One for Mr. Gonzalez, and another for Mr. Gorbachev. Mr Gonzalez: According to Boris Yeltsin you have agreed to establish bilateral relations between the Russian Soviet Federated Socialist Republic and Spain in various fields. What is the underlying political background to these relations? Mr. Gorbachev, I would like to ask you, do Spain and the USSR share a special sensitivity with regard to Yugoslavia and is this sensitivity reflected in some common approach or joint initiative? Thank you.

[Gonzalez] President Boris Yeltsin has indeed proposed that I should study some of the joint cooperation programs. To this I replied that we have a juridical framework, in fact the agreement we signed this morning, and there is a financial agreement in addition to the other areas and cooperation accords. There are groups of specialists already prepared who can pick out those programs that might be of mutual interest within the framework of those juidical documents which we have just created. I repeat: We are willing to cooperate within the framework of these documents.

[Gorbachev] As I understand it, the second part of the question is directed to me concerning the extent to which we are sensitive to what is taking place in Yugoslavia today. I have already had occasion to answer a similar question in Kiev. Perhaps I might now change my angle of view and answer your question with a different approach—from a broader spectrum. We have emerged from the cold war and that is the enormous achievement of the last few years as well as these changes that you and I welcome. Much is linked with this, in reinterpreting, in conducting political dialogue and in changing approaches and views on the role of force in international relations and in connection with this on the processes, on the role of arms. We correctly assessed the danger of the nuclear threat and as a result of all this we reached some major political decisions. It is already possible to say that we have moved a long way forward. However, it is as though we have emerged from one system in which our own mechanisms were operating that were characteristic of the cold war and confrontation and the arms race—our own ways and approaches to the solution of problems. We know where we got to as a result of using these mechanisms and ways of solving problems. This is precisely what persuaded us to stop when we were almost on the edge of the precipice, to think everything over and to set about improving international relations and constructing a new world order based on the new thinking as we said.

Much remains to be done here, including finding mechanisms and creating institutions that will reflect the new stage in relations between states. Yesterday my friend Felipe Gonzalez and I stated that we have to

deal with these problems more intensively, responsibly, and thoroughly, for there is the danger of risk arising in the new situation. The situation in Yugoslavia is connected with this.

To say that it only affects the USSR falls short of the mark. It affects all of us. It affects the foundations of all the current foreign policy of states. We are all worried. We are seeking approaches to resolve this problem peacefully, showing respect toward the Yugoslav people, the peoples of Yugoslavia, and using as our starting point the fact that first and foremost we support the integrity of Yugoslavia, based on the fact that we believe in the inviolability of borders.

When I was speaking to Mr. Kohl last Friday and to Mr. Gonzalez yesterday we recalled in this connection the Paris Charter—a very important document. At the same time we said the following. The Paris Charter says, rather, it lays down as a very important fundamental principle what I was saying. At the same time there is a provision about an attitude of respect for the rights of minorities, of small peoples and particularly minorities. How then is this to be reconciled with what I said about the inviolability of borders? This is a most fundamental principle and if we step back from it then the processes of further development both in Europe and everywhere else will go out of control. The consequences will be unpredictable. These qustions must be resolved within the framework of every state on the basis of the Constitution and the legislation, constitutionally, within the framework of constitutional process.

Now a specific, a particular section about how we perceive Yugoslavia. These are people who are friendly toward us. We are united by many things—history, both distant and not so distant—and especially the joint struggle against fascism. We are united by decades of cooperation. These are Slavic peoples with whom we have a great deal in common. We are particularly sensitive to all that is happening there and we are using all our influence and our presence in all international mechanisms and our ties—I would say very close ties—with the peoples of Yugoslavia and with Yugoslavia so that this process and the problems that have arisen can be solved within democratic frameworks, primarily so that the Yugoslavs themselves sort out this situation.

You know, the information I have at my disposal is that what is happening in Yugoslavia is being followed very closely in our republics. This is another example that shows that everything must be solved within the framework of the results, on the basis of the results of the referendum, preserving and renewing our great union of peoples. We have no other choice; any other way may lead us into a blind alley and may result in grave consequences. Even before the events in Yugoslavia and in connection with the exacerbation of these events—we have spoken about this more than once—it is merely a corroboration of the correctness of those assertions that have been made by me and by other leaders of the Soviet state and the republics. I have spoken at length on this subject because the question required that I give you my considered opinion.

[Terekhov] Good day. Terekhov from the INTERFAX agency. Mr. Prime Minister, it is quite well known that you are a convinced supporter of the process of perestroyka and that you have great experience in these processes. Could you, please, taking advantage of our good relations, just like Mikhail Sergeyevich, tell us how you see the process of transferring to a market economy in the USSR and the processes of changing over from a totalitarian society to a democratic one.

Esteemed Mikhail Sergeyevich, my question is this: the meeting with the Seven in London clearly represents a new level of mutual relations, not only of our relations, but with reference to the general situation in the world. Please tell us whether you consider that the processes of perestroyka, destatization and market relations will come about independently of the conditions, of the success of the talks in London, or can they put the brake on things. In other words, how do you see our next stage?

[Gonzalez] I would not be so bold as to comment on the creation of a phenomenon as impressive and difficult as the process known as perestroyka. I simply cannot do that. We have not had a similar experience. One can find parallels in any situations. It is evident that Spain has moved from an authoritarian to a democratic system and here there really are similarities. Indeed, Spain moved from one system that was deeply centralized as far as the implementation of power or authority in the center is concerned to a situation where there is a large degree of decentralization, where power is distributed to the various territories, not only between institutions but also between sectors. Here, too, one can find common features and similarities. Article or section 8 of the Spanish Constitution can be likened to the discussion about the Union: What are the exclusive powers of the center, the exclusive powers of each of the participants in the federation, and the powers held in common?

Of course, it is only with great effort that one can draw a genuine parallel between Spain and the USSR. The USSR is a vast country with colossal diversities, not only cultural ones which also exist in Spain, but also ethnic and religious diversities with a large number of minorities throughout the territory. One really cannot compare them. One cannot compare us economically either. We had a market economy with certain restrictions; very badly functioning protectionism with excessive interference of an administrative nature, but it was still a market economy.

Thus, for decades, not decades but centuries—market mechanisms existed for decades and not just for decades but for centuries—so it is difficult to speak about parallels. Thus, we look with friendship and loyalty at the processes in the USSR as processes affecting us all. I would not restrict myself to just this, however. Even in Madrid I said that we would be acting correctly if we

invested in perestroyka because it will give much to all of us Europeans and to the whole world.

It seems to me that the USSR is a country the size of a continent that one way or another will influence the international situation and relations in the world. It would be most desirable if this influence were optimal, that is, by means of progress within the framework of the process of democratization; democratization in terms of individual freedoms and democratization in terms of the redistribution of power between various institutions, including territorial redistribution.

This problem can only be solved by the USSR, however. No one can replace the USSR in resolving this exclusively internal task. From an economic standpoint, I would like to express my confidence in the leaders of a government that has made vast efforts to liberalize the country's economy. There has never been that kind of liberalization in the history of our country. We removed customs barriers. We took or we are taking part in processes that are taking place in the European Community. The OECD recognizes that Spain is the country that has opened up the doors of its economy to the international world economy more rapidly than anyone over the past five years. So no one can doubt that we are making efforts in that direction.

When I look at the situation in the USSR the first thing I want to say to you is this: First, there is no recipe or prescription available in advance; there is no economic theory that has yet been written that could be applied to the absolutely new situation that exists in the USSR and is different from previous ones in economic respects. Of this I am sure. Therefore, following the experience I have built up over a number of years in the leading post of the Spanish Government—although the situation in our country is not as complex or difficult—we could say that there exists a common direction toward a market economy, toward integration into the world economy, but that kind of orientation can be set once one realizes that the rate and the specific stages of such a direction depend upon the social and economic conditions of each individual country. Therefore it is possible to adapt and amend this direction depending upon the situation in each country. I would not be able to apply a recipe or prescription no matter who proposed it—even if it were proposed by an outstanding theoretician to be implemented in connection with a specific, practical economic situation. For me it is far more important to identify the direction the economy is taking than to enter into discussions about whether it is possible to create a market in 500 days when there are countries that have had a market for 500 years, or whether it is possible to create one in five years. For me this is relatively unimportant.

As for my own assessment, it seems to me that the orientation and the direction are of fundamental importance. Here, evidently, there are no doubts. The USSR economy is opening up to the world, is trying to integrate itself into the world economy and we believe that this is what it must do. At the same time it is trying, within the economy itself, to remove restrictions, to free the initiative of the individual, of individual enterprises or companies, and in this way to open up in the direction of the market. It seems to me that this is the kind of analysis that one can make. But it is an analysis. I would not dare to talk about the kind of economic project that would suit the USSR because that would be an impertinence based on nothing at all—on nothing of any use.

[Gorbachev] This is part of the discussion we had yesterday which continued today. I have to say that I can virtually speak of a coincidence of views between us on this problem. Yes, just look: 17 percent—the representatives of Great Britain must help me here, we have had to single out Mrs. Thatcher for her work of over 12 years in government—and the state sector comprised 17 percent of what—the whole economy, and this took ten years. [sentence as heard] Each country should solve these problems within the framework of the area Senor Gonzalez spoke about, within the context, the real context—from my own situation—of traditions of history and culture, experience, potential, economic, financial and so on.

This brings me to the reply to the question regarding the forthcoming meeting between the Seven and the USSR president. I agree with you Comrade Terekhov, that this is an event, an event that was possible at this moment in time. It could not have happened even a year, especially two let alone five or 10 years ago. This in itself is indicative of many things. Of course, we all realize this and there is no need for me to present any further arguments on this score. That's the first thing.

The second thing is this: You will probably agree that our political dialogue has reched a high level. The political dialogue among the leaders of states within the framework of the restructuring of international relations is proceeding on a wide scale. We have achieved a great deal. I would not like to repeat what I was talking about earlier on, but as far as economic cooperation is concerned, well here—I must be frank—few changes have occurred yet.

I think that we are entitled today to pose the question of a new kind of economic cooperation between the USSR and other states, primarily the developed states of the world. When I speak of a new kind of economic cooperation, I understand by this that, in place of mere trade, the mere implementation of individual projects—which themselves are very important and which we can only welcome and continue to do everything possible—there must be the organic inclusion of the Soviet economy into the world economy, operating within the common rules in this world economy. The political prerequisites have been created but a great deal needs to be done to move toward each other both by the USSR and by other countries.

As far as we are concerned we have embarked on the road, within the scope of implementing the policy of perestroyka, of profound democratic reforms, and the

road of moving toward the reform of property relations and of moving toward the market. We will do this, this is our choice. We need this, this is our responsibility; these reforms are responsible for everything, and it is on us that the main burden lies in resolving all of the problems connected with these deep reforms of our economy. But taking account of what Mr. Gonzalez said, that what is at issue is the USSR as a whole continent, we understand that the success of this work, and the organic inclusion of the USSR would mean immense positive political global consequences for all of our contemporary civilization. We are counting on cooperation, mutually advantageous cooperation, both today and tomorrow. We think that, in resolving certain critical problems concerning the transition, the entry into the market, we could be helped to achieve this more painlessly by cooperation, more effective cooperation with the developed countries.

That is our view of this and we do indeed link the resolution of many tasks to a certain extent with the nature and the scale of cooperation with the developed countries. That is how I would answer your question.

[Moderator] THE GUARDIAN, Great Britain.

[GUARDIAN correspondent] THE GUARDIAN newspaper, London. A question for President Gorbachev. The USSR's external debt already amounts to approximately $55 billion.

[Gorbachev] What?

[Moderator] $55, billion, the external debt.

[GUARDIAN correspondent] $55, billion the external debt. If over the next few months or year or two years you take additional huge credits from the international community, then how and when will you be able to pay off the whole of this enormous foreign currency debt? Thank you.

[Gorbachev] Well first I would like to draw your attention to this. Brazil has a debt of $130 billion; the United States has an external debt of $300 billion and so on. I think that if one were to measure this debt of ours against what the USSR represents and what it has at its disposal, then generally speaking all knowledgeable and competent people understand that this resulted from a period of unfavorable circumstances. As a result of internal processes a reduction in exports of oil and other products occurred in our country. This had an effect. Suffice it to say that our oil exports were exactly halved. That immediately reduced foreign currency receipts by one-half. But this does not remove the potential that the USSR has at its disposal to build up exports and improve and increase its foreign currency income. That is the first point. The second point: I don't believe that there are all that many free financial resources in the world and when we talk about cooperation we are talking first and foremost about investment credits. This will create opportunities for increasing output and providing compensation for our debts to investors on the basis of what is obtained as a result of implementing these investment credits. I think this will be the main thrust of our economic cooperation with the other countries. Now, I think that great opportunities are opening up for this in connection with the fact that we are adopting legislation—in the main we have already adopted legislation that opens up great opportunities for investment in our country. This means that in essence foreign investors enjoy the same rights as are enjoyed by Soviet enterprises. They can have, they can acquire shares, own 100 percent of the capital of an enterprise. We have made provision for the possibility of creating concessions. That is the first thing.

Second, we intend to speed up the transition to making the ruble convertible. We are hoping here for cooperation with the Western countries and this will then open up the possibility of completely removing these problems of foreign currency since this will allow our economy to function normally and will allow Western investors to feel confident. I think that these difficulties are surmountable. Of course, we are keeping this question within our field of vision.

We do not intend to ask for our debts to be canceled. We pay our debts. We have always been the best debt payers and we have returned our credits. I think that we will emerge from this difficult temporary phase and we will also solve this problem just as we have resolved it so far.

[Moderator] NHK, Japan.

[NHK correspondent] NHK Television. Mikhail Sergeyevich, yesterday at Novo-Ogarevo you were supported by nine republics. If the West decides to give financial support to the reforms in the USSR, who will be the recipients, the USSR or the republics?

[Gorbachev] People are continually asking this question but in my opinion it contains more confusion than exists in real life. The people voiced their opinion in favor of a federation, that means a federal state, with its own internal market and with all the features of that—a single financial policy, a single currency policy, a single customs policy.

As far as the new Union treaty is concerned you will have noticed that a single coordinated foreign policy will be conducted and a foreign economic policy—I will not continue the list. That means it is proposed that in the future too relations between the USSR and other states will be shaped so that the USSR will be a reliable partner. However, this means that the republics will participate in this process more actively both at the stage of drafting treaties and concluding agreements.

Further, the republics had already previously come out in favor—and they did so again yesterday—of more rapid progress being made in setting up an interrepublican committee for foreign investment, at the ministry of the economy, in the center. Its task will be to coordinate joint activity, to suggest projects, to elaborate approaches. After these questions have been resolved at

a coordinated level, the republics, and mainly enterprises, associations, joint-stock companies and concerns will enter into specific business cooperation. Already foreign economic activity is to a large extent implemented at the level of the real and basic subjects of the market, I mean the enterprises.

So, there will be no drama here. I think that the question has been posed and is being tackled correctly in that the republics should be conversant with decisions, the adoption of those treaties, and with the stage of their implementation; they should take part in their implementation and monitor them. I think that within the framework of the redistribution of powers, there will also be an enormous redistribution of powers in this foreign economic sphere on the basis of coordinated foreign policy and foreign economic activity and approaches.

[Moderator] Comrade Lyshenko, please.

[Correspondent Lyshenko] Mr. Gonzalez. After the well-known period in Spanish history the country restored democracy and freedom. I would like to hear your view how—and for you to share your experience even if only briefly—on how you succeeded in taking this path in such a short period, from dictatorship to democracy.

A question for you too, Mikhail Sergeyevich. You have just said that you signed a treaty on friendship and cooperation with Spain. Evidently, it will be published in the next few days and we will all be able to read it. For now, I would like to hear your assessment of the main significance of this treaty at the moment.

[Gonzalez] It is difficult for me to answer this question in one minute but I will try. The political changes that have taken place in Spain may be expressed thus: The relations that existed have been transformed into democratic ones. I have the impression that the dictatorship and the totalitarian system were actually an armored plating that fettered society. I want to say that the transition of Spain to democracy is explained only by the fact that the overwhelming majority of the members of society wanted to live in conditions of democracy and freedom and at the moment when those institutions obstructing this decided to adapt and take account of the demands of society, changes became possible. Speaking in classical terms, when the superstructure started to respond to the needs, everything started to be tackled reasonably and peacefully. This is my only digression toward orthodox terms.

[Gorbachev] We arrived naturally at this treaty on friendship and cooperation. The very title of this treaty speaks of the level of these relations. I think too that with the signing of the present treaty we are, as it were, concluding the first stage of developing that legal, reliable basis for the development, for the stable development and cultivation of cooperation between our states. But if I tried—and I would like to do so—to say in a couple of words what the essence of this document is, then it reflects the new realities in our relations, the atmosphere of cooperation that has developed in recent years, and I must say that it absorbs all that has been achieved in international relations up to the present time. Thus, this document concerns relations between two countries, but it also contains our positions regarding the present situation in the world, our view, and in this way it is a major international document.

I welcome it and I think that together—the Soviet and Spanish peoples—we can view with satisfaction the document we now have.

[Moderator] Unfortunately, we must bring this interesting conversation to an end. Thank you for taking part, and thank you very much to Mr. Felipe Gonzalez and Mikhail Sergeyevich Gorbachev. Good-bye.

[Gorbachev] Good-bye.

Further on Press Conference

LD0907133291 Moscow TASS International Service in Russian 1132 GMT 9 Jul 91

[Text] Moscow, 9 Jul (TASS)—The USSR and Spain naturally arrived at the signing of a Treaty on Friendship and Cooperation, USSR President Mikhail Gorbachev said at today's news conference when evaluating the document that was signed today. The very name of this treaty, he continued, speaks of the level of relations between the two countries. In the opinion of the Soviet leader, the first stage of the creation of a reliable legal basis for the stable development and increase of cooperation between the Soviet Union and Spain is completed with the signing of the treaty.

Mikhail Gorbachev stressed that the document reflects the new realities in our relations and the atmosphere of cooperation which has arisen in the last few years. It takes in everything that has been achieved in international relations up to the present time. In this way, the USSR president noted, this document "deals with the relations between the two countries; but it contains our positions with regard to the current situation in the world, our view, and it is thus an important international document."

During the news conference Mikhail Gorbachev was asked about how the USSR intends to pay off its foreign debt, taking into consideration possible new credits and the already existing debt, which amounts to $55 billion. The USSR president stressed first and foremost that the Soviet Union's debt has increased recently as a result of internal processes and a fall in exports, primarily oil. He noted that the debt is proportionate with the country's potential, however, and he does not rule out opportunities for a growth in exports and increasing currency earnings.

According to the Soviet president, the USSR is geared primarily toward investment credits which will make it possible to increase output and pay off debts to investors. This, Mikhail Gorbachev said, will be "the main direction in our economic cooperation with other countries." Conditions for this cooperation will occur, the

Soviet leader noted, in connection with the fact that new legislation has basically been adopted which opens up great possibilities for investments. In accordance with the new laws, foreign investors receive the same rights as those enjoyed by Soviet enterprises.

Furthermore, he stated, there is an intention to accelerate the transition to a convertible ruble. In this connection Mikhail Gorbachev voiced hope for cooperation with Western countries. Resolving the convertible ruble problem will make it possible for the Soviet economy to function normally and will increase the confidence of Western investors, the USSR president said. He gave an assurance that the Soviet Union does not intend to ask for its debts to be cancelled. In his opinion, the country will emerge from this difficult period.

Answering a question during the news conference about the degree of sensitivity with which events in Yugoslavia are being received in the Soviet Union, USSR President Mikhail Gorbachev said, among other things, that the situation in Yugoslavia is affecting not only the Soviet Union, but also all other states.

To say that it affects only the Soviet Union falls short of the mark, the USSR president stated. It affects us all, it affects the foundations of all the current foreign policy of states. We are all worried. We are seeking approaches to resolve this problem by peaceful means, showing respect toward the peoples of Yugoslavia and using as our starting point the fact that first and foremost we are for the integrity of Yugoslavia, using as our starting point the fact that we adhere to the inviolability of frontiers.

While emphasizing the importance of the "most fundamental principle" of state structure—namely, the inviolability of frontiers, the infringement of which could lead to unpredictable consequences—the Soviet leader at the same time pointed to the need for this to be combined with an attitude of respect for the rights of lesser peoples, particularly minorities, as laid down in the Charter of Paris. "These issues have to be resolved within the context of each state, on the basis of its constitution and legislation, within the context of the constitutional process," he said. "Just as there will be stability in any state only when the law operates and all institutions of authority and the public strictly observe the law, we must also recognize this principle in international relations when we appraise the situation in one state or another."

On a question concerning the attitude in the Soviet Union to events in Yugoslavia, Mikhail Gorbachev said: "These are peoples we regard as friendly. There is much that unites us, both distant and not-so-distant history—in particular, our joint struggle against fascism—and we are united by decades of cooperation. These are Slav peoples with whom we have much in common, and we are especially sensitive to everything that happens there. We are acting, using all our authority and our presence in all international mechanisms, as well as our links—very close links with the Yugoslav people—so this process and the problems that have arisen might find their resolution within a democratic context, and above all so the Yugoslavs themselves might deal with the situation."

Speaking of the possibility of performing some kind of good services for Yugoslavia from outside to resolve the situation, the USSR president emphasized that such services can be rendered only when the government itself requests them, which in this case means the government of Yugoslavia.

Answering a question on the status of the republics that do not sign the Union Treaty, Mikhail Gorbachev noted that eight republics have already approved the latest version of the document and have appointed their delegations to sign it. These republics have also given their delegations the authority to agree on the definitive wording of the text. The USSR president said on Monday at the meeting in Novo-Ogarevo that the meeting of the representatives of the republics expressed the hope that examination of the wishes expressed about the treaty would be completed no later than the middle of July and that signing would not be delayed.

Responding directly to a question posed by journalists, the Soviet leader voiced the opinion that the list of republics signing the treaty would expand. According to him, in several republics if opinions were canvassed about the Union treaty, 70-80 percent of the population would express themselves in favor of signing and joining the Union. The issue of the republics not signing the Union treaty should be tackled in a constitutional framework and not in any other way. All attempts to impose an alternative are unacceptable, the president declared. He confirmed the commitment the country's leadership had to the constitution and to the clauses contained in it on the rights of the people to self-determination up to and including secession, but in a constitutional form.

Mikhail Gorbachev thinks that the process of renewal and rallying in the CPSU will lead to the creation of a modern party of socialist orientation. "The situation in the CPSU reflects what is happening in the country," he said at the news confeence. "The CPSU, which was the definitive link and the operational machinery of the administrative-command system, today—within the framework of the dissemination of legislative and executive power and the framework of changing roles for political parties—is looking for its own role and its place in the process of change. These are living people with ideas which have grown in them who have to reinterpret them, to draw coclusions, and to change the political line and the shape of this political force within the framework of the democratic process unfolding in society."

Mikhail Gorbachev said that on 25 July there will be a plenum of the CPSU Central Committee at which the commission formed by the Congress will present the draft new party program. This will then be submitted for discussion in the party and by all society.

As the USSR president, who is also general secretary of the CPSU Central Committee, noted, "the party program will take in everything we have managed to do

through creatively assimilating our own and world experience and drawing lessons from the past, and it will carry us to a new understanding and ideas." In his words, the new program will provide a basis both for determining the profile of the party and for settling the question of what it will be like in terms of numerical strength.

"I think," the CPSU leader stressed, "that this will be a living process of renewal and rallying of the party, of creating a modern socialist-oriented party."

At the same time, Mikhail Gorbachev drew attention to the fact that certain tendencies have formed inside the CPSU which do not accept the present perestroyka line, which reject it. Moreover, they would like to turn everything back. "My feeling," he said in this connection, "is that those people who are bent on such plans will get nowhere. Society has started moving toward changes. It has grasped them. This is not to say that we are happy with everything that is happening. There is much that we are unhappy with, but in principle we shall go forward along the path of such trasformations. That is (?the choice) of the majority of our people."

"We look as loyal friends upon the process in the Soviet Union as ones which affect all of us". This attitude to the reforms going on in the USSR was expressed at the press conference by Felipe Gonzalez, chairman of the Spanish government. "We would be doing the right thing by investing in perestroyka", he continued, "since this will provide a great deal for all of us Europeans, and indeed for the whole world".

The Soviet Union will influence, one way or another, the international situation and world relations. In the view of the head of the Spanish government, it would be the most desirable thing for this influence to be exerted through progress in the context of the process of democratization, both from the point of view of personal freedoms and that of redistribution of power between the various institutions, including territorial redistribution. But such an exclusively domestic problem, he said, can be resolved only by the Soviet Union itself.

Viewing the situation in the Soviet economy, Felipe Gonzalez drew attention to the fact that there does not exist any recipe or cut and dried economic theory that could be applied to the totally new situation in the Soviet Union, one distinct from previous situations. There exists a general trend of movement toward the market and towards integration into the world economy, he noted. But the speed of the movement toward this depends on the social and economic conditions of each individual country.

Gonzalez Meets Shevardnadze

LD0907172191 Madrid RNE-1 Radio Network in Spanish 1600 GMT 9 Jul 91

[Excerpts] Prime Minister Felipe Gonzalez is now beginning his return trip to Spain following his official two-day visit to the USSR. Gonzalez and his Soviet counterpart, Mikhail Gorbachev, have signed a treaty of friendship and cooperation between the two countries. [passage omitted]

The prime minister has qualified statements by the Russian leader, Boris Yeltsin, and has said that any collaboration between Spain and Russia will be carried out in the juridical framework of the treaty of friendship signed today. We now have on the line our special correspondent in Moscow Maria Jesus Chao, who is following the prime minister's visit:

[Chao] Prime minister Felipe Gonzalez is now flying back to Spain at the end of his official visit to the USSR. Prior to the farewell ceremony the prime minister had a meeting with the so-called children of the war [Spanish children sent to the USSR during the Spanish civil war]; he assured them that he will do all he can to resolve the problem of pensions, the main obstacle to their return to Spain. Parallel to this meeting, Foreign Minister Francisco Fernandez-Ordonez had a meeting with former Soviet Foreign Minister Shevardnadze, a meeting that was later joined by Prime Minister Gonzalez. At the meeting they discussed the Movement for Democratic Reform, which is being promoted by Shevardnadze. Foreign Minister Fernandez-Ordonez did not want to divulge any details of this because, he says, he is not in the habit of commenting on this kind of meeting.

Treaty Signed

LD0907191891 Moscow Central Television First Program Network in Russian 1800 GMT 9 Jul 91

[From the "Vremya" newscast]

[Text] A treaty on friendship and cooperation between the USSR and Spain was signed in the Kremlin today. Mikhail Sergeyevich Gorbachev and Felipe Gonzales sealed the document with their signatures. This treaty is the first political document in the whole history of links between the USSR and Spain which regulates bilateral relations in all key areas. It may rightly be placed alongside similar international and legislative acts signed in the past between the USSR and Italy, France, and Germany, who are integral parts of the emerging system of European security and cooperation. [video shows two parties signing documents, to applause from those present]

Bessmertnykh on Talks With Counterpart

PM0907151591 Moscow PRAVDA in Russian 9 Jul 91 Second Edition p 5

[TASS report: "Collaboration Potential"]

[Text] Talks between the Foreign Ministers of the USSR and Spain—A.A. Bessmertnykh and F. Fernandez-Ordonez—ended in Moscow 8 July with the signing of intergovernmental agreements on cooperation in the sphere of environmental protection and youth exchanges and a statement on cooperation in the sphere of the conversion of military industry. They had taken place within the framework of the official visit of Felipe Gonzalez, head of the Spanish Government, who is in our country at the invitation of the USSR President. The

documents signed in Moscow set new targets for the development of bilateral ties in various spheres of life.

During the talks, the head of the Soviet foreign policy department noted in an interview to TASS diplomatic correspondents, prospects for bilateral collaboration were primarily examined. The successful development of scientific, technical, and cultural contacts was noted. At the same time the potential of trade and economic relations is by no means being fully exploited. At present they are lagging behind the political dialogue. However, the minister emphasized, they are not stagnating; on the whole there are signs of progress in this sphere.

During the discussion of international problems the situation which is taking shape in Yugoslavia was appraised. Taking account above all of the interests of the Yugoslav people, it is very important to ensure that the new all-European institutions create positive precedents for the future, the minister pointed out. Painstaking work on the part of these institutions is needed. Our main concern is to ensure that Yugoslavia deals with the situation which has developed in a manner which meets the needs of the Yugoslav people. At the same time it would be preferable for us for Yugoslavia to retain its territorial integrity and to remain a single country. It was agreed to continue consultations on the Yugoslav problems.

Other international problems were also discussed—the development of the all-European process, the Soviet Union's mutual relations with the European Community, and Spain's role in the establishment of this cooperation. The talks which have been held, A.A. Bessmertnykh summed up, were businesslike and the sides' opinions coincided on many issues.

Gorbachev Meets With Spanish Financier

LD0907115791 Moscow TASS International Service in Russian 1005 GMT 9 Jul 91

[Text] Moscow, 9 Jul (TASS)—On Monday USSR President Mikhail Gorbachev received Mario Conde, a prominent representative in Spanish financial circles, who is in Moscow in connection with the Soviet-Spanish summit.

Questions regarding the development of business cooperation between the Soviet Union and Spain, including long-term cooperation, were broadly discussed.

The meeting took place in the spirit of mutual understanding.

Gonzalez Leaves Moscow

LD0907171191 Moscow TASS in English 1703 GMT 9 Jul 91

[By diplomatic correspondents Aleksandr Kanishchev and Leonid Timofeyev]

[Text] Moscow July 9 TASS—Spanish Prime Minister Felipe Gonzalez today departed from Moscow, upon ending his official visit to the Soviet Union.

During the two-day visit, Gonzalez and President Mikhail Gorbachev signed the treaty on friendship and cooperation between the Soviet Union and Spain, held in tense talks on bilateral relations and international life, discussed internal developments in the Soviet Union and Spain and analysed all-European processes.

The sides also signed four other bilateral agreements, including on cooperation in military conversion, youth exchanges and environmental protection.

During a joint news conference here today, Gorbachev and Gonzalez expressed satisfaction with the level of their political dialogue in recent years. They noted that the two countries have potential for developing economic, scientific, technological and cultural cooperation and said they wished to boost their ties in these spheres.

Further on Departure

LD0907192291 Moscow Central Television First Program Network in Russian 1800 GMT 9 Jul 91

[From the "Vremya" newscast]

[Text] Felipe Gonzalez left Moscow this evening.

Mokhail Sergeyevich Gorbahcev and his spouse bade a warm farewell to the guest and his spouse at the Kremlin. [video shows the Gorbachevs and the Gonzalezes in the Kremlin; Gorbachev shakes hands with Gonzalez and his spouse; Raisa presents Mrs Gonzalez with a bouquet of roses].

The farewell ceremony was continued at Vnukovo airport. Felipe Gonzalez was given the honors envisaged in the USSR state protocol applying to the heads of governments of foreign countires. The chairman of the Spanish government was seen off by Bessmertnykh, USSR minister of foreign affairs, and other officials. [video shows the farewell ceremony at the airport, Gonzalez shakes hands with Bessmertnykh].

Spain Praises Talks

LD1007074291 Moscow TASS in English 0726 GMT 10 Jul 91

[By correspondent Robert Serebrennikov]

[Text] Madrid July 10 TASS—Spanish Prime Minister Felipe Gonzalez returned here on Tuesday after a two-day visit to the Soviet Union at the invitation of Soviet President Mikhail Gorbachev.

Spanish Foreign Minister Francisco Fernandez Ordonez described the results of the Gorbachev-Gonzalez meeting as highly satisfactory.

The Spanish media are also giving a high appraisal of the talks.

The Soviet Union and Spain ceremonially sealed their resolve to deepen the relations of friendship and mechanisms of cooperation in all fields, the Spanish national television emphasised in its commentary.

Soviet-Spanish relations are notable for a high level of mutual understanding and political dialogue. The cordiality of relations between Mikhail Gorbachev and Felipe Gonzalez is of great importance in this respect. Gonzalez stated his resolute support for reforms being effected in the Soviet Union, the commentary said.

The Government of Spain has positively appraised Mikhail Gorbachev's activities and his efforts towards promoting perestroyka which Gonzalez when in Moscow referred to as a thorough attempt at renewal directed towards democratisation and the ensurance of human rights, Spanish television stressed.

The Spanish prime minister's visit to Moscow is of great political importance, primarily due to the signing of the treaty of friendship and cooperation, the treaty which has no analogues in the complex history of relations between the Soviet Union and Spain, the newspaper EL PAIS points out editorially.

The treaty emphasises Spain's growing role in the international arena. Spain now has the best opportunity to express its opinion to ensure Europe's positive development in the future, the newspaper writes.

On the eve of the Group of Seven (G-7) summit in London, Gonzalez gave full support to Gorbachev as he is convinced that this meets the interests of European countries, EL PAIS notes.

"Gonzalez is urging Europe to give economic aid to the Soviet Union," stresses the newspaper EL SOL.

The newspaper YA believes that the results of the visit to the Soviet Union by Felipe Gonzalez will open up new vistas of cooperation between the two countries. The West should give moral and political support for Gorbachev's perestroyka. Spain stakes on transformations in the Soviet Union.[sentance as received]

YA also notes the "cordial atmosphere" of the talks in Moscow, during which the leaders of the USSR and Spain showed almost full identity of views on present-day international problems.

The newspaper EL MUNDO writes about Gonzalez's "unreserved support" for perestroyka and policy of Mikhail Gorbachev. "Gonzalez: one should make a contribution—both economic and political—to perestroyka" is how the newspaper INDEPENDENTE sums up the results of the visit.

Report Views WEU Ministers' Meeting

PM0907105991 Moscow PRAVDA in Russian 3 Jul 91 Second Edition p 5

[Report by IAN correspondent V. Katin for PRAVDA: "Far From the Capitals' Bustle"]

[Text] Luxembourg, 2 Jul—The nine Western European Union [WEU] countries' foreign and defense ministers recently had an important—in terms of its results—meeting here in the city of Vianden, near the capital but far from the bustle of Europe's capitals.

I would remind you that this military-political organization was set up in 1954. However, it has not tested its potential in practice, and hence it has been dubbed the "Sleeping Beauty." Of late or, more precisely, after the Gulf war, France has vigorously set about awakening the WEU in order to give it the status of an effective force within the framework of the EC. However, dissatisfaction was voiced on the other side of the Atlantic: U.S. Secretary of State J. Baker sent the WEU leadership a cable warning that the future defense alliance should not compete with NATO.

In Vianden the heads of the diplomatic and military departments agreed that the WEU should be seen as an integral part of European integration and be dovetailed with the 12 "Common Market" countries' political union. The need to coordinate all actions between the WEU, the EC, and NATO was particularly stressed. Eastern Europe, with whom, according to French Foreign Minister R. Dumas, the WEU is already establishing ties, has not been bypassed either. It was also stated that the conference's participants regard positively the USSR's interest in this union's work. In the practical context it has been decided to organize cooperation between the WEU states' armies and set up space-based intelligence, forming a single center for this purpose.

Foreign Ministry Officials Doubt 1991 EC Accord

OW1007090991 Moscow INTERFAX in English 1200 GMT 9 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] The agreement on political cooperation between the USSR and the EC member-states, favored by Soviet President Mikhail Gorbachev and chairman of the Spanish Government Felipe Gonzalez, is one of the subjects on the agenda but it will hardly be signed this year, officials from the Department on Security and Cooperation in Europe of the Soviet Foreign Ministry told DP's [Diplomatic Panorama] reporter.

The first trading agreement between the USSR and the European Community was signed in 1988, and laid the basis for political cooperation that steadily expanded over the following three years. Late last year, France tabled a proposal to conclude a full-scale treaty with the

USSR that would include the political sphere. A similar agreement is in operation with the U.S. and is called the Trans-Atlantic Declaration. Another one, with Japan, is in the pipeline.

The USSR backed the French proposal and the Soviet Foreign Ministry was assigned to draw up an agreement covering the political sphere. The EC has been working on its own draft. The two sides maintain political contacts already and the agreement, if signed, could put them on a systematic basis. Apart from the already established practice of meetings between the leaders of the two sides, the agreement could provide for regular meetings between the Soviet parliament and the Euro-parliament, allowing both sides to pool their efforts in combating drug-trafficking, rising crime, etc.

Finnish Defense Minister Begins Visit 8 Jul

LD0807181291 Moscow TASS in English 1749 GMT 8 Jul 91

[By TASS correspondent Oleg Moskovskiy]

[Text] Moscow July 8 TASS—Finnish Defence Minister Elizabeth Rehn arrived in the Soviet Union today for an official visit. At the airport she was met by Soviet Defence Minister Dmitriy Yazov and other officials.

Later in the day the two defence ministers had a detailed conversation on a wide range of topical problems of mutual concern.

Yazov told the Finnish guest about ways for the materialisation of the Soviet defence doctrine, the course of the military reform, the conclusion of the reduction in the Soviet Armed Forces by 500,000 men, and practical steps to withdraw Soviet troops from East European countries.

Matters connected with the state of affairs in Europe and the world were also touched upon during the conversation. Special attention was given to the future of military alliances, possibilities for building a new system for European and world security, the need for joint actions to prevent war, keep and strengthen peace.

The two defence ministers agreed to further develop cooperation in various fields of military construction.

"Our conversation with Dmitriy Yazov was imbued with the spirit of mutual understanding and goodneighbourliness that is traditional for Soviet-Finnish relations, and was held in an exceptionally cordial and warm atmosphere," Elizabeth Rehn told TASS.

On the same day the Finnish guest laid a wreath at the unknown soldier's tomb near the Kremlin wall.

Meets Yazov

LD1007101891 Helsinki Radio Finland in English 0830 GMT 10 Jul 91

[Text] Finnish Defense Minister Elisabeth Rehn is in the USSR for an official visit. She met her host, Soviet Defense Minister Dmitriy Yazov on Monday, but no details of the meeting were released. On Tuesday Mrs. Rehn visited the Soviet General Staff Military Academy. Talking to Academy personnel she said that her talks with the Soviet military leadership had been exceptionally friendly and warm. She also visited a training center for cosmonauts near Moscow. Defense Minister Rehn's 5-day visit concludes on Friday.

Lukyanov Receives Speaker of Finnish Parliament

PM0907104991 Moscow PRAVDA in Russian 3 Jul 91 Second Edition p 4

[TASS report: "Kremlin Reception"]

[Text] A.I. Lukyanov, chairman of the USSR Supreme Soviet, received I. Suominen, speaker of the Finnish parliament, who is paying a brief working visit to Moscow, in the Kremlin 2 July.

During a friendly conversation they confirmed the desire of the two countries' parliaments to help preserve and increase the positive potential accumulated in our relations on the basis of the Treaty on Friendship, Cooperation, and Mutual Assistance and the joint declaration entitled "New Thinking in Action." They outlined ways for further cooperation between their supreme representative organs of power in the interests of strengthening USSR-Finnish good-neighborliness, building a new Europe, and developing mutually beneficial partnership among the states in the North Baltic region.

B.I. Aristov, USSR ambassador to Finland, was present during the conversation.

Bessmertnykh Receives French Ambassador

LD0707042791 Moscow Central Television First Program Network in Russian 1800 GMT 6 Jul 91

[From the "Vremya" newscast]

[Text] Aleksandr Bessmertnykh, USSR minister of foreign affairs, today met Bertrand Dufourcq, the Republic of France ambassador in the USSR. Issues which were discussed are of traditional interest to both sides, including issues in connection with the forthcoming trip of the USSR president to London where a separate conversation with the French president is also to take place. The exchange of opinions touched upon the situation in Europe, in particular in connection with the events in Yugoslavia and the situation in the Near East, as well as life in the USSR.

Falin Meets French Communist Official Leroy

PM1007094591 Moscow PRAVDA in Russian 9 Jul 91 Second Edition p 5

[Unattributed report: "Talk Held"]

[Text] V.M. Falin, secretary of the CPSU Central Committee, met with R. Leroy, member of the Politburo of the French Communist Party [PCF], 8 July. They exchanged opinions on the situation in the USSR and France and the development of cooperation between the CPSU and the PCF during a comradely talk.

Soviet-Greek Economic Talks Held in Athens

LD0807101591 Moscow All-Union Radio Mayak Network in Russian 0830 GMT 8 Jul 91

[Text] Soviet-Greek talks on economic cooperation between the two countries have taken place in Athens. Issues concerning the provision of credits of 100 million dollars for the Soviet Union were examined. The development of collaboration in the construction of a main gas pipeline which would deliver Soviet natural gas to Greece, as well as the building in that country of an aluminum works with the participation of the USSR, were discussed. Furthermore, issues of cooperation in the field of agriculture were examined. The talks took place within the framework of preparations for the coming visit by Konstandinos Mitsotakis, prime minister of Greece, to the USSR.

Commentary on Western Military Presence in Turkey

PM0807154791 Moscow KRASNAYA ZVEZDA in Russian 3 Jul 91 First Edition p 5

[Report by M. Kostrov: "Rapid Deployment Force To Be Stationed in Turkey"]

[Text] In recent days plans to set up a rapid deployment force in a region of Turkey bordering Iraq have been widely discussed in Western mass media. It will comprise between 3,000 and 5,000 servicemen from the United States, Britain, France, and Italy.

According to information disseminated by ABC television, the idea of setting up the new formation originated in London, which drew its allies' attention to the fact that Iraqi Kurds could be "left defenseless" after the multinational forces' withdrawal from Iraq. The idea found support in Washington.

There are reports that Ankara intends to allow the rapid deployment force to be based in the population center of Silopi, located at the intersection of the borders of Turkey, Iraq, and Syria. The region's largest NATO base at Incirlik will provide air support for these forces. USAF helicopters will regularly overfly regions of north Iraq from Turkish territory. Participation in the operations by ships of the U.S. Sixth Fleet, based in the Mediterranean Sea, is also planned.

It is typical that Baghdad's opinion regarding these plans is of no interest to the Americans and their allies. Evidently Western capitals are not inclined to go into the finer points of international law and do not intend to ascertain whether the UN mandate to free occupied Kuwait provided for the implementation of combat operations in northern Iraq and the stationing of additional military contingents of the United States and its allies in the region on a long-term basis. Well, it seems we will increasingly often run up against this style of conducting international affairs on the part of the United States...

The Soviet press has already drawn its readers' attention to instances of the buildup of the U.S. military presence in certain bases in eastern Turkey, specifically in Erzurum, Batman, and Mus. And this is a new step on the road to concentrating Western countries' military forces in regions adjoining Soviet borders.

UK's Hurd Cites 'Sympathy' for USSR Reforms

PM0507152191 Moscow NOVOYE VREMYA in Russian No. 25, Signed to Press 18 Jun 91 p 23

[Interview in London with British Foreign Secretary Douglas Hurd conducted by Yu. Sigov under "NOVOYE VREMYA Exclusive" rubric; date not given; first paragraph is editorial introduction: " 'We Are in Sympathy With Your Reforms' "]

[Text] Douglas Hurd, UK secretary of state for foreign and Commonwealth affairs, is regarded as one of the "toughest" critics of Soviet policy. Journalist Yu. Sigov met with him in London and asked him to answer a number of questions concerning the present situation in the USSR.

[Sigov] You have frequently visited the Soviet Union. Have any substantial changes occurred there, in your view, in the last two-three years?

[Hurd] We are very gratified by the processes currently taking place in the Soviet Union. For us, all this appears simply amazing—people with differing views who have ceased to be afraid to express them or to defend their opinions have appeared in your country. On the whole, however, it appears to me that the British Government and ordinary citizens here now have a feeling of sympathy not toward the USSR as a state but toward the process of reforms taking place in your country. We support them.

[Sigov] How does Britain's political leadership regard the confrontation between the republics and the center?

[Hurd] I will say staightaway that no one in the West, including Britain, has any interest in the USSR's disintegrating into the old feudal principalities. That could lead to the situation which once existed in the Balkans. We favor the majority of the republics which currently form part of the Soviet Union remaining within it. In any event you have to tackle this problem yourselves. We

support the idea of creating a USSR on a new basis, which should be achieved by agreement among your republics; but, of course, it is easier to discuss this sitting here in London than to contend with all the problems in Moscow.

[Sigov] And how does the British leadership regard the declaration of independence by certain union republics belonging to the USSR?

[Hurd] Here it is necessary to differentiate between the British approach to the Baltic republics and all the other republics. Britain has never recognized the annexation of the Baltic republics in 1940. We should respect their political and historical past and we consider their present aspirations to be legitimate. However, any political changes should be carried out there by peaceful means, through negotiation.

Regarding the other republics which currently form part of the USSR and which are declaring their independence, that is their internal affair and they should be able to tackle these issues within the framework of talks with the center.

[Sigov] Which Soviet political leader today enjoys the greatest popularity in Britain?

[Hurd] Unfortunately, your political leaders, particularly the young ones, are not very well known in the West. In London, for example, the ordinary Englishman knows about Gorbachev, we have heard something about Yeltsin, and we recently got acquainted with Sobchak during his trip to Britain.

As far as Gorbachev's popularity is concerned, however, since the events in the Baltic his prestige has declined in the eyes of Britons, although people still regard him as an experienced politician who in his work has to contend with enormous difficulties. I would say that most Britons associate Gorbachev with the reforms under way in the Soviet Union. This is support for and sympathy toward the process of reforms and, to a lesser extent now, the actual individual.

[Sigov] Does Britain intend in the near future to extend financial or technical assistance to the USSR, or will it wait until the situation in our country is more or less stable?

[Hurd] Britain has no interest in granting major financial credits to the Soviet Union while the current system is maintained in your country. The USSR may be compared today to someone wearing a suit with big pockets—but all with holes in them. Until those holes are patched, money will simply disappear without trace, no matter how much you put in. I think that it is better for Britain at this stage to help you with technology and experts and to assist in establishing, for example, a system of rational food distribution in the USSR. We are already helping you in this and we would like such cooperation to strengthen.

We are not refusing to assist the USSR, but Britain will help you principally on the basis of the economic and political situation obtaining in the Soviet Union.

As far as basic political stability in the USSR is concerned, we cannot wait until it arrives. Since the events in Lithuania great doubts as to whether the process of reforms in your country will continue have emerged in the West. Today the predominant stance among Western countries is to continue cooperating with the Soviet Union, but not to grant it major financial credits.

[Sigov] What "stock of trust" does the Soviet Union enjoy now in the countries of the West, and Britain in particular?

[Hurd] If you judge by the opinion of ordinary Britons, they continue to trust the Soviet Union. If you are talking about trust at the level of the two countries' political leadership, we understand each other quite well and find a common language on the most important international problems. We do not approve or support everything in the Soviet leadership's present activity, but see no reason for open confrontation either.

Your main difficult today is the transition to a market economy, for which your country does not, unfortunately, have the traditional base which existed, for example, in China and which enabled it to resolve many problems in a short space of time. I understand your economic leaders, who suffer from the bureacratic-command system of management. But the transition to the new simply cannot be effected overnight.

Whatever happens there, you must go forward. The USSR, after all, is not just tanks and missiles, but possesses enormous natural resources and industrious people. And it is their labor which is indeed capable of ensuring the Soviet Union's future prosperity.

Opening of Soviet-British Hotel Postponed

OW0907230291 Moscow INTERFAX in English 1830 GMT 8 Jul 91

[Transmitted via KYODO]

[Text] The grand opening of the Metropol joint venture, based on the five-state hotel of the Soviet State Committee on Tourism and the British firm Intourist Travel, Ltd., has been postponed for an indefinite period.

According to TASS, the reason for this is connected with the repairs currently underway in the hotel which has meant the hot water being switched off. The hotel, which has room for 350 guests, at the moment is housing only 90, despite the fact that prices have been reduced by half due to the inconvenience.

Vladivostok TV Building Planned

OW0907230191 Moscow INTERFAX in English 1830 GMT 8 Jul 91

[Transmitted via KYODO]

[Text] On July 17 during a television bridge link between Vladivostok, Moscow and London, the idea of constructing a thousand meter high Sky building in the town is to be considered.

The construction of the building-cum-town could become one of the much-heralded international projects in the framework of a Vladivostok program for developing international links.

Mercedes-Benz AG Expands Moscow Services

OW0907121891 Moscow INTERFAX in English 1830 GMT 8 Jul 91

[Transmitted via KYODO]

[Text] Mercedes-Benz AG has begun to build its third service station in Moscow which is to become a link in the wide net of service centers set up in the USSR.

As is reported in the DOLOVOY MIR newspaper, Mercedes-Benz AG, seizing on the potential of the Soviet market, has worked out a long-term plan for this country. This plan envisages the spread of the network of service centers into other cities apart from Moscow.

At the moment, around 400 private cars are bought by Soviet clients via the Moscow representation of Mercedes-Benz AG. In addition, more than 2,000 of the firm's trucks are in use in the Soviet Union and last year several dozen coaches were bought by tourist companies.

Latin America & Caribbean

Mexico's President Salinas Profiled

91UF0959A Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Jul 91 p 3

[Article by KOMSOMOLSKAYA PRAVDA correspondent Ye. Umerenkov: "Being President Is More Difficult Than Becoming President"]

[Text] Mexico—When does a politician reach the age of maturity? This is a debatable question. However, a majority would nonetheless be inclined to say it is at least 50 or 60. Up to this time, they say, skills are being supplemented by life experience and emotions counterbalanced by worldly wisdom. Carlos Salinas de Gortari, current president of Mexico, was just 40 years old when he took the oath of chief of state at the end of 1988. But already, after just two and a half years, Mexico's reputation in the world has undergone significant changes—from a country wallowing in economic and social problems it has turned into a country capable of solving these problems.

Salinas de Gortari is promoting a program with three main goals: democratization, restoration of a stabilized economy, and an increased standard of living for the population.

Mexico's current president can least of all be suspected of improvisation in conducting his program of reforms. An economist by education with two degrees from Harvard University, he headed the Ministry of Programming and Budget of the previous administration at age 34. It was precisely then that efforts began to develop the economic plan which is today being implemented by his government.

Not inclined towards outward appearances, always reserved, and even somewhat academic in his presentations, Salinas de Gortari has perhaps managed to create an image of chief of state distinct from that of his predecessors. Not the "father of peoples," but the highest responsible official of the country, whose main virtue must be not a charming smile, but common sense and pragmatism. It is for that reason perhaps that the personal life of the Mexican president is not "washed over" by the press, as is the case in so many other countries. A distinctive "principle of reasonable sufficiency" is at work here—he is married, has three children, and engages in sports. The rest is not all that important. His actions are important.

Politburo's Frolov Receives Mexican Envoy

PM0807144191 Moscow PRAVDA in Russian 3 Jul 91 Second Edition p 4

["Own Information" report: "PRAVDA's Guests"]

[Text] Carlos Tello, Mexican ambassador extraordinary and plenipotentiary to the USSR, visited the PRAVDA editorial office 2 July. The guest met with I.T. Frolov, member of the CPSU Central Committee Politburo and editor in chief of PRAVDA, at the former's request.

During a frank conversation they discussed a broad range of questions linked with Mexican President Carlos Salinas de Gortari's coming visit to the Soviet Union. They noted the important role played by both countries' mass media in improving Soviet-Mexican relations at the current, particularly crucial stage in world development.

Ivashko Receives Cuba's Aldana

PM0807152991 Moscow PRAVDA in Russian 3 Jul 91 Second Edition p 4

[Unattributed report: "Friendly Conversations"]

[Text] V.A. Ivashko, deputy general secretary of the CPSU Central Committee, has met with a Communist Party of Cuba [PCC] delegation headed by C. Aldana, member of the Central Committee Secretariat.

During the conversations that took place in an atmosphere of comradeliness and mutual understanding they examined, in detail, questions relating to the two parties' contemporary activity and CPSU-PCC cooperation. They stressed Soviet Communists' solidarity with the Cuban people, who under the difficult conditions of the blockade are continuing their advance along their chosen path, upholding the ideas of freedom, independence, and devotion to socialism. The interlocutors voiced their desire to continue to do their utmost to strengthen the ties of friendship between USSR and Cuban Communists and between the Cuban and Soviet peoples.

Argentine Ambassador Received at Foreign Ministry

PM0807095991 Moscow IZVESTIYA in Russian 2 Jul 91 Union Edition p 4

[TASS report under general headline: "Official Reports"]

[Text] On 1 July, USSR Deputy Foreign Minister V.D. Nikolayenko received Argentine Ambassador Gaston de Prat Gay at the latter's request.

Questions of international life of mutual interest and of Soviet-Argentine relations were discussed during the talks.

Supreme Soviet

Anticrisis Program Enters Into Effect

LD0907131391 Moscow TASS in English 1127 GMT 9 Jul 91

[By TASS parliamentary correspondent Vladimir Isachenkov]

[Text] Moscow July 9 TASS—The Soviet Government's anti-crisis programme, signed by ten republics and approved by President Mikhail Gorbachev, goes into effect. Its final version was distributed among Supreme Soviet deputies today.

The programme was signed by the Russian Federation, the Ukraine, Belorussia, Uzbekistan, Kazakhstan, Azerbaijan, Kyrghyzia, Tajikistan, Armenia and Turkmenia. The heads of government of Russia and the Ukraine agreed to sign it only on condition that deductions to the Union budget will be made at their own discretion from republican taxation revenues.

"To enable the centre to perform functions assigned to it by the Union treaty, the Russian Federation and the Ukraine will contribute to the Union budget only fixed sums in the amount agreed upon by the USSR Cabinet of Ministers and the republics," says an amendment proposed by Russia and the Ukraine.

The text itself says that the Union budget is formed from the federal tax, which reflects the centre's demand for a two-tiered taxation system.

The Ukraine made another reservation by suggesting that the programme remain in effect only in 1991, rather than for two years as planned.

The programme is directed at preserving a common economic space and envisages the revoking as of July 1st of all administrative decisions hindering the movement of commodities among republics and regions.

The programme contains a package of measures directed at overcoming the crisis and creating conditions for shaping a market. It envisages, in particular, an austere regime of financing budgetary expenses at lowered rates starting July 1st, 1991. "In investment policy, it is necessary to pursue a course toward replacing no-return financing from centralised sources by commercial bank credits," says the document.

The programme envisages an array of measures to denationalise and privatise the economy. The first to be privatised are service sector enterprises, facilities producing consumer goods and foodstuffs and processing farming produce, small industrial, construction and transportation businesses.

The programme grants the republics extensive rights in the field of foreign economic ties. "The republics will carry out foreign economic activity on their own starting on July 1st, 1991," it says. "The republics will be in charge of licensing all products, including basic natural resources: oil, gas and coal (except defence and other specially important fields)."

Some provisions of the programme are already being implemented. The Cabinet of Ministers recently lifted taxation from the part of profits of enterprises, directed at production development, and incomes of individuals, used to buy shares.

Laptev, Deputies Join Democratic Reform Movement

LD0907174191 Moscow TASS International Service in Russian 1635 GMT 9 Jul 91

[By TASS parliamentary correspondent Vladimir Isachenkov]

[Excerpts] Moscow, 9 July (TASS)— Ivan Laptev, chairman of the Soviet of the Union, one of the two chambers of the Soviet parliament, today stated that he is joining the "Movement For Democratic Reforms" which was formed at the end of June. Furthermore, around 20 USSR Supreme Soviet deputies today announced that they are setting up a group to support the movement. [passage omitted]

Speaking in the Supreme Soviet today, Ivan Laptev stated that "the movement is an attempt to achieve broad public accord, to unite forces which are politically heterogeneous but which are essentially forces for renewal, and to move society on from the atmosphere of endless discussions to real implementation of the reforms that have been started." Aleksandr Kuzmin, one of the leaders of the inter-regional group of deputies spoke after him and announced that around 20 deputies to the USSR Supreme Soviet have decided to set up a group in support of the "Movement for Democratic Reforms."

Laptev Cites Reasons

LD0907180291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1640 GMT 9 Jul 91

[Speech by Ivan Laptev, chairman of the Soviet of the Union at USSR Supreme Soviet Session in Moscow on 9 July—recorded]

[Text] Esteemed comrade chairman, esteemed comrade people's deputies, as is known, last week a group of our fellow citizens published a statement in favor of uniting the forces of democracy and reforms, in which they called upon all those who worry about the homeland's fate to join in a democratic reform movement. This statement has already recieved quite a broad and controversial interpretation.

Without going into the validity of various evaluations, I have carried out my own analysis of this statement, its main ideas, goals, and the organizational principles of the new movement. And I have come to a definite conclusion. Judging by the stated goals and ideas, the Democratic

Reform Movement is, in my view, an attempt at attaining a broad public concord, uniting politically heterogeneous but, in essence, rejuvenating forces and taking society from an atmosphere of interminable discussions onto the plane of actual implementation of the reforms that have been started and already legally substantiated. That is, these are the same goals and ideas which we are promulgating and trying to back up with a legal basis and which are most fully reflected in the governing principles of the Soglasiye group of deputies.

As regards the methods for attaining the goals promulgated by the movement, I see them as constitutional, open, and democratic by their nature and quite corresponding to the general tendencies in constructing a law-basd state, something which is the main goal of our efforts. That is why, convinced in the fact that the setting up of the Democratic Reform Movement will promote the speediest solution of the problems our society is facing on the road to renewal, that it is called forth by concern about the interests of the peoples which make up this society and about the benefit of homeland, that is, about the supreme goals inspiring the life of every honest man, I have decided to join this movement to promote society's consolidation and the development of reform from this position, too.

I made this decision independently and, naturally, only as an individual, in no way linking it with my parliamentary activity or my party membership. And by bringing this to your attention I stick to the principle of openness in my acts and views. Besides, in the situation when such attention is drawn to the new movement, when absolutely contrasting evaluations are being given to it, I wanted you to learn about my decision from myself. I would ask you to take cognizance of the above.

Debate on Katushev Appointment Continues

LD0907124791 Moscow All-Union Radio First Program Radio-1 Network in Russian 0900 GMT 9 Jul 91

[Report by parliamentary correspondent Gennadiy Kalenov—live]

[Excerpts] Good day. Good day, esteemed radio listeners. You know, one can see from the agenda that this is the last week in the legislature's work. There are many questions and there is much to be done. They are all important, topical, and urgent. All of them are to be examined until Friday, 12 July.

There are four items on today's agenda. I will name them: the draft law on introducing amendments and additions into the USSR on taxation of enterprises, associations, and organizations; the draft law on industrial prototypes in the USSR; the draft law on special guarantees on employment and social support of servicemen released from service without the right to a pension; and the draft law on recognizing as invalid legislative acts in connection with the USSR law on the USSR Cabinet of Ministers.

Today's morning session started with the discussion of the cadre issue. It lasted for one hour and 45 minutes. May I remind you that yesterday the Supreme Soviet did not agree with the appointment of Comrade Katushev as the minister of foreign economic relations. Today deputies resumed the discussion. The discussion, as it is customary to say, was most active and heated.

Deputy Dzasokhov said at the beginning of the discussion [words indistinct] scorned the government that the composition of the present Cabinet of Ministers is being formed too slowly. Although the session is about to end its work, some of the seats in the cabinet are still unoccupied. He called on the Supreme Soviet to give its consent for the appointment of Katushev to the post of minister of foreign economic relations and recommended that he devote particular attention in his future work to weak points that were previously noted in the work of the ministry.

Deputy Shapovalenko disagreed categorically with the nominated candidacy, saying the government completely ignores deputies' opinions. The candidacy was not approved before lunch. Maybe it will pass after lunch. The opinions were diametrically opposite.

Deputy Yerokhin, speaking in the commission on privileges, called on the Supreme Soviet to give moral assessment to the candidate, as he put it. The point is that the Vnukovo-2 dachas cooperative was set up and 12 state dachas of the Ministry of Foreign Economic Relations were privatized. Comrade Katushev, his first deputy, five leaders, the head of the maintenance department, and more were among the members of the cooperative. He said that the commission on privileges does not recommend Comrade Katushev for the ministerial post. Incidentally, the candidate said, speaking after the report, the money for all these dachas was fully accounted for. [passage omitted]

I will inform you later as to what decision is made. At this point, I will end my report.

IZVESTIYA Reports Privatization Law Debates

PM0907090191 Moscow IZVESTIYA in Russian 3 Jul 91 Union Edition pp 1-2

[Report by correspondents A. Stepovoy and S. Chugayev: "End to Monopoly of State Ownership. IZVESTIYA parliamentary correspondents A. Stepovoy and S. Chugayev Report from Kremlin"]

[Excerpts] The fifth month of the work of the fifth session of the Union Parliament is coming to a close. In the remaining 10 days deputies will have to resolve the most urgent questions, and—it must be stated bluntly—there are plenty of them.

The program for 1 July was extensive too.

Privatization Legalized

The most prolonged debates in the history of the country's Supreme Soviet are over. After a concluding three-hour debate the draft on the basic principles for the denationalization and privatization of enterprises has become law. There is probably no great need to describe in detail the ins and outs of the last section of this legislative marathon. Readers will already be well acquainted with the many arguments put forward by supporters and opponents of the document. That is why we will merely dwell on the specific results of the point-by-point ratification of this act of legislation. These are reflected in the resolution adopted on giving effect to the law.

The proposal from a group of deputies not to give the "green light" to the law before the fall, when the structure of the organs handling the implementation of denationalization and privatization will be set up, was rejected. The parliamentarians approved the proposal from V. Shcherbakov, USSR first deputy prime minister, not to postpone introduction of the law, as well as a provision to the effect that the legislative and other normative acts unilaterally defining ownership relations for Union property or property jointly controlled by the Union and the republics be considered null and void.

It is planned to implement privatization in two stages. By the end of 1992 around half of the fixed production capital of enterprises under Union jurisdiction will have been removed from the sphere of direct state control, and by 1995 this figure will have risen to 60-70 percent.

Undoubtedly, this law will be thoroughly analyzed in the press. We note that the fears of those who have long said a great deal about the plundering of the state were somewhat exaggerated. Thus, the Union Government is counting on obtaining up to 200 billion rubles [R] from privatization by 1993, and R350-450 billion by the end of the second stage. [passage omitted]

It can be said without exaggeration that the last half hour of the session was the most turbulent. This time the deputies' traditional discussion of topical problems started with the chairman reading out a USSR Supreme Soviet draft resolution. The authors of the draft were Deputies A. Kuzmin, N. Kozyrev, S. Ryabchenko, E. Pamfilova, and N. Neyland. A number of USSR people's deputies—including I. Laptev, chairman of the Soviet of the Union—had expressed doubt about the legality of cadre appointments to the editorial offices of IZVESTIYA and the weekly NEDELYA, the draft resolution stated. The USSR Supreme Soviet Secretariat Legal Group and the USSR Prosecutor's Office put forward a different position. In view of the precedent set by this case, an interpretation of the USSR Law on the Press as applied to it is necessary. The authors of the draft resolution proposed that the USSR Supreme Soviet instruct the Committee for Legislation and Law and Order, and the Committee for Glasnost and Citizens' Rights and Appeals to examine this incident before the end of the current session, to suggest a proper intrepretation of the relevant part of the Law on the Press, and—if necessary—to propose amendments to the law to remove the possibility of any ambiguity. The committee and commission decision is to be ratified at a subsequent USSR Supreme Soviet sitting.

Having read out this document, A. Lukyanov noted that he had no objection. However, there were objections from Deputy G. Tikhonov, who stated that the question of IZVESTIYA's work had been raised several times in parliament. Both A. Lukyanov and I. Laptev, the speaker stressed, had previously asserted that it was simply a question of sorting out the newspaper's editorial collegium. In the deputy's opinion, A. Lukyanov had taken measures which were admittedly inadequate. Some necessary cadre changes had taken place, the deputy believed, but, as he put it, "not from the standpoint of our request, which was that order be established." The USSR Supreme Soviet Presidium has examined the question. "What else is there to be examined?" the speaker asked. He expressed confusion that "yet another commission" should have to examine a Supreme Soviet Presidium decision.

This speech prompted I. Laptev, chairman of the USSR Supreme Soviet Soviet of the Union, to ask for the floor.

Esteemed Anatoliy Ivanovich and I, I. Laptev told the deputies, have put you in a very difficult position. Two people—the chairman of the chamber and the chairman of the USSR Supreme Soviet—have submitted entirely contradictory information on one and the same issue. That is why we need to sort things out. I. Laptev supported the proposal that the USSR Supreme Soviet Committee for Legislation and Law and Order, as an authoritative parliamentary working organ, should examine this question, give its interpretation, and report back to deputies. He also expressed readiness to immediately and gladly apologize to the Committee for Legislation as soon as it confirms that A. Lukyanov is correct. But I am sure that I am right, I. Laptev noted. And if the Committee for Legislation fails to confirm that you are correct, he said, addressing A. Lukyanov, then you will have to determine how to deal with specific questions in accordance with your own concept of duty and conscience. But in any event, if we ask the Committee for Legislation to work on this question, the main point will be established—the legal truth, for whose sake you and I live and work, for which we attempt to persuade each other and the entire people, and for whose sake we proudly say that we are the guardians of the law. This legal truth is bigger than all of us, it is bigger than our jobs and our preferences. And I advocate one thing only—that the legal truth should be established, I. Laptev stressed. This is not about IZVESTIYA, this is not about appointments. It is about just one thing—the way we understand the law.

In reply, A. Lukyanov expressed the view that it was a question of the application of the law rather than of its interpretation. He cited the, as he put it, old but still

operative legislative act, which states that the USSR Supreme Soviet Presidium appoints just one person—the chief editor. All other appointments hitherto have been carried out in accordance with or on the orders of the Presidium leaders. In this instance, A. Lukyanov stressed, the Presidium did not perceive any violations 25 June and supported the adopted decision since it fell within the Presidium's purview as publisher of the newspaper.

But, A. Lukyanov continued, I do not want to hide anything from the Supreme Soviet. Chief Editor Yefimov believes that this cadre change could strengthen the newspaper. Essentially, it is not at all a question of certain legal procedures, the speaker noted. It is simply that a number of figures who currently set the ideological tone in the country do not like the idea of the chief editorship of NEDELYA behind held by Comrade Sevruk, who previously worked under Yakovlev and Medvedev as deputy chief of the CPSU Central Committee Propaganda Department and was appointed deputy chief editor during I. Laptev's tenure as chief editor. Just as they do not like the idea of Yefimov, who is a member of the party Central Committee.

In A. Lukyanov's opinion, this is discrimination. This, he stated, is why I agreed, as leader of the USSR Supreme Soviet Presidium, to Yefimov's proposal regarding appointments. I wrote: "Agreed, Lukyanov." Because I believed that in this case we needed to back an individual. We needed to back the editor. It might not work out. But I believe, A. Lukyanov stressed, that putting this issue to the Supreme Soviet now would mean involving the Supreme Soviet in a question about which all our press—our dear, esteemed press—would again make a fuss to the effect that this is a reactionary organ which does not observe the Law on the Press.

It is entirely natural that such speeches by the leaders of the Union Parliament could not fail to give rise to queries. Most of them were addressed to A. Lukyanov.

[Unidentified deputy] Has the Supreme Soviet Presidium, as the founder, ratified the newspaper's action program and statutes?

[Lukyanov] Not yet. The newspaper submitted its statutes to us, proposing that we share responsibility between the IZVESTIYA editorial collegium—which itself determine its own position to a certain extent—and the Presidium. The Presidium did not agree to this, and returned the statutes for further work. We believe that the founder should be the founder. We still have that norm—in the shape of Article 15 of the law, which states that the chief editor be ratified by the founder. Which is what we did in ratifying Yefimov. [Lukyanov ends]

During the debates two proposals were voiced—that the IZVESTIYA question be passed on to the Committee for Legislation and Law and Order in order for its conclusion to then be discussed, and that the USSR Supreme Soviet Presidium be instructed to look into the problem. Most people's deputies preferred giving the USSR Supreme Soviet Presidium the right to settle the problem. [passage omitted]

Antiprivatization 'Party' Seen As Active

PM1007082191 Moscow IZVESTIYA in Russian 2 Jul 91 Union Edition p 1

[M. Berger "Political Diary": "Extraordinary Committee to Combat Privatization"]

[Text] A passion for resolving political and also economic questions by means of various kinds of committees with extraordinary and, most frequently, unconstitutional rights is nothing new in our country. But even the latest of them, like the national salvation committees, already have their own history and their own reputation. It cannot be ruled out that the list of committees of this kind could be supplemented in the very near future by another variety—for the protection of the property of the whole people against privatization.

As is known, during the debate on the draft law on privatization Ye. Ligachev urged people's deputies to "support the desire of labor collectives to set up in enterprises committees for the protection of the property of the whole people." Naturally, the question arises: If the draft law were killed, for which not just the former Politburo member alone has been campaigning, then why would such "extraordinary committees" be needed? And if the law is, in the end, approved in full, then the extraordinary committees to combat privatization will end up outside the law. A strange appeal, to put it mildly, for a representative of the country's highest legislative power.

The explanation for such a position probably lies in the fact that Ye. Ligachev and those who support him are acting in this case as representatives of a certain party. It would be possible to say the Communist Party, but as early as last year the CPSU acknowledged the possibility of private ownership, albeit with reservations. So it would be more correct to say that the former prominent party figure and those who adhere to an analogous viewpoint are speaking on behalf of the party of implacable fighters against privatization, against the possibility of private ownership emerging in one form or another. In other words, something like a "Party of State Ownership" is fully formed and operating, for in practice it is precisely state organs that manage what is customarily called the property of the whole people with all the ensuing consequences.

There are many members of this party among Communists—as is known, the Communist deputies' factions have submitted to the Union and Russian Parliaments an alternative draft law not permitting privatization. But far from all members of the Communist Party are opposed to privatization. To judge by the government program, V. Pavlov, the Communist prime minister, and V. Shcherbakov, his Communist first deputy, are active supporters of relaxation of state control and privatization.

At the same time there are also members of the "Party of State Ownership" among representatives of other parties and public trends. The "Soyuz" deputies' association may be considered a collective member of it. One of its cochairmen has called the Law on Privatization, which has been submitted to the country's parliament for discussion, a state suicide plan.

Yes, it is precisely the attitude to the question of ownership and not formal membership of a particular political organization that is the chief "platform-forming" factor for both the individual and the political structure as a whole. And, of course, society must be familiar with all the positions in order to consciously choose the path which reflects the interests of the majority. The real interests, not those formulated by those who are accustomed to identifying themselves with the people and speaking in their name. And whereas Ye. Ligachev equates privatization with betrayal of the people's and the homeland's interests, the people themselves, or at least the majority of the adult population, take a somewhat different attitude to this problem. This is borne out not by politicians' statements but by the results of the Russian presidential election. After 12 June it is simply absurd to maintain that B. Yeltsin's radical position, including in respect of the question of ownership, does not enjoy the people's support.

Of course, all must have an equal opportunity to explain themselves. It is the right of the authors of the alternative draft advanced by the Communist factions in both parliaments to consider that the market certainly is not bound to presuppose privatization and that we have absolutely no need of it. And if they are convinced that their "innovative, modernizing draft" (this is how they themselves warmly characterize it) will lead us to a happy tomorrow, then one small thing is lacking: to convince society. And it must be convinced that self-management rights are better than ownership rights, that it is better to obey a state organ, without whose consent the production profile cannot be changed, than to receive share dividends....

If it is absolutely clear to Deputy R. Tsykalo that the vast majority of citizens will gain nothing from the adoption and implementation of the Law on Privatization, it would not be a bad thing for him to explain conclusively why. At present a different truth formulated by Adam Smith more than 200 years ago remains proven: A person deprived of the possibility of acquiring any property whatsoever is interested in just one thing—to eat as much as possible and work as little as possible. And our own history demonstrates it most convincingly of all. Even R. Tsykalo, the opponent of privatization, on the one hand proposes not adopting the Law on Privatization and, on the other, shares with parliament his own grievance as a failed property owner. The kray party committee is becoming the founder of a solid, promising enterprise. And the deputy, who has paid his dues punctually for 20 years, rhetorically inquires: "But what will I get out of it?" True, he at once stipulates that he does not need much.

There is hope that, despite the very severe polemic, the long-suffering draft law will be adopted. There is also the fear that the "Party of State Ownership" will secure the "sterilization" of its principal provisions, and then really no one will get anything out of its adoption, apart from those who carry out "wild" or bureaucratic-nomenklatura privatization without prior permission. Any position has the right to exist, only the chief thing is that it be defended by unarmed means and that extraordinary committees not act as an argument for its public benefit.

Supreme Soviet 9 July Proceedings

LD0907204891

Moscow Central Television Second Program Network in Russian at 1840 GMT on 9 July carries a 35-minute edition of its regularly scheduled "At the USSR Supreme Soviet" program, including recorded highlights of the USSR Supreme Soviet session in the Kremlin on 9 July.

The announcer opens the program by noting that deputies debated Konstantin Fedorovich Katushev's posting as USSR foreign economic relations minister.

At 1841 GMT, Katushev takes the floor to refute Privileges Commission allegations and to give figures on dacha purchases by members of the Vnukovo-2 cooperative. He maintains that he has done a fine job in the foreign economic relations arena and that any shortcomings are not his fault. Katushev claims that the Foreign Economic Relations Ministry acted in strict accordance with the plan and that wholesale accusations are merely slander. He urges deputies to stop quarelling and to get down to work, warning that a proper foreign trade system has not yet been developed and that without it the current foreign trade anarchy will end in total chaos.

At 1851 GMT, Deputy Andreyeva proposes debate on Katushev's posting be postponed until the sixth session. Deputies agree to carry on with the debate at a later, unspecified date.

At 1854 GMT, Deputy Saunin presents amendments to the law on taxing enterprises, organizations, and associations. He says the amendments on lower tax rates and benefits have been drafted mainly as a result of the recent price rises and stresses that these measures should primarily aim to stimulate production. Saunin rejects the Cabinet of Ministers's right to give tax-free status to individual enterprises and organizations since this leads to unjustified preferential treatment. He concludes by stressing that the amendments are very important and should be adopted as soon as possible. The announcer reports that the amendments were adopted in principle and that article-by-article discussion began and will continue.

At 1908 GMT, the announcer notes that a draft law on servicemen sent into retirement without pensions was discussed and adopted.

At 1909 GMT, an unidentified deputy takes the floor to discuss the widespread practice of demanding payment for education, calling it a flagrant human rights violation. Another unidentified deputy follows, providing examples and calling for the Procuracy to interfere to stop this practice.

At 1914 GMT, Ivan Laptev, chairman of the Soviet of the Union, delivers address on the Democratic Reform Movement.

At 1915 GMT, the program ends.

Political & Social

Gorbachev, Republic Heads on Novo-Ogarevo Talks

LD0907191191 Moscow Central Television First Program Network in Russian 1625 GMT 9 Jul 91

[Interview with President Mikhail Gorbachev; Boris Yeltsin, president of the Russian Soviet Federated Socialist Republic, RSFSR; Islam Karimov, president of the Uzbek Soviet Socialist Republic, SSR; Elmira Kafarova, chairman of the Azerbaijan Supreme Soviet; Nikolay Dementey, chairman of the Belorussian Supreme Soviet; Vitold Fokin, prime minister of the Ukraine SSR; by unidentified correspondent in Novo-Ogarevo following the nine-plus-one talks on 8 July—recorded]

[Text] [Correspondent] Mikhail Sergeyevich, what is the main thing uniting you prior to your trip to London?

[Gorbachev] We are united by our common responsibility, which lies generally at the root of the very important, I would, without exaggeration, say the historical statements at the first meeting here in Novo-Ogarevo—responsibility for the fate of the fatherland, for us getting out of this very profound and grave crisis more quickly—we won't speak now of the causes—to stabilize both political life in the country and the economic situation, and for this to have consequences for the people with a view to improving their living conditions. Generally speaking, this is our concern.

This was manifested here today. I attach very great importance to this process, because it is based on responsibility, accord, and the unification of efforts to tackle the historical tasks that have risen up before us in this phase of decisive transformations in renewing and reforming our society, and that which relates to the political process, political reform, including the signing, the elaboration and signing of the Union treaty, the new Union treaty, and that which relates to those important decisions concerning our choice in favor of a transition to the market.

All this was manifested here, and on this basis, great accord was achieved, a large degree of accord. I am traveling with a mandate and not only with my own convictions and ideas and my own conclusions but also with the common stance of all the participants in this process, with the stance of the Union republic. So this is what I have in mind to say in London, our agreed position. This is very important. I think that it is important first and foremost for ourselves, for the people who live in this enormous country, a country that plays an enormous role and is called upon to play an even greater role in the destiny of our present day civilization. Therefore, I am satisfied.

There were problems in agreeing to the joint steps. You know, such enormous work has already been done, and such an understanding has been achieved. Now it is necessary to advance decisively, uniting our efforts, along the path of profound democratic transformations, along the path of economic transformations, and transformations within the scope of the Union treaty. All this is something that ought to give us political stability, financial stability and a stable, a stable situation, from which we subsequently should... [changes thought] which will help us overcome the crisis.

[Correspondent] Boris Nikolayevich, how would you assess the course of today's discussion? Is it your view that today many, well, practically the main questions have been resolved prior to the trip and the discussion with the seven leading countries?

[Yeltsin] I would single out two factors. The first is that the country's president is going not only in his capacity as the president, not only as a representative of the center, but carrying the views of all the nine republics, their leaders. This is a view that has been agreed upon. This is of special importance for everyone and for our people too and this includes the countries of the seven. The second circumstance is: Naturally, prior to the trip there is a great deal of various speculation even around the trip to the effect that the country's president is going with a begging bowl to elicit big money there and so on and so forth, but this was not discussed at all.

Essentially the main position that was jointly elaborated today is that the president of a huge power, since he is not taking us with him—he does not want to take us under any circumstances...

[Gorbachev, laughs] That is true. [general laughter] But he is taking accord with him.

[Yeltsin] He is taking accord, yes—is going to describe the position, to describe the processes that are taking place both in the republics and in the country as a whole, to set out some joint program that may be implemented jointly, with the countries of the seven and our country and our people in mutual interests. This is essentially the main thing and it is of special importance, well, the transition, the times of the transition to the market economy, when, naturally, our people and all of us will find it very hard indeed. On this we reached agreement.

[Karimov] I would like to add, taking up Boris Nikolayevich's thoughts, that at our meeting today the idea was once again, well repeated, if you like. The idea of our

people and our Union republics today giving a promissory note, putting complete trust in Mikhail Sergeyevich in his trip to London. We have a simple opinion on this question, and that is such a meeting is necessary. We have no differing opinions on this: We have all come to the same opinion that the trip is necessary and vital. However, the main thing is that we have examined this whole process thoroughly and critically even. We have tried to examine this question from the position of the ordinary people, from the position of the people we are representing today, on behalf of those whose promissory note we are handing to Mikhail Sergeyevich today. How do they view this meeting and what do they expect from this meeting? We came to the conclusion that everything that Mikhail Sergeyevich reported and told us about today in fact coincides with all the desires and thoughts and wishes, if you like, secret wishes of our people, and those thoughts they are expressing. We are unanimous in the opinion that such a trip is necessary and such a trip meets the interests not only of Russia, not only of the Ukraine, but of all the Union republics who are ready today to sign the Union treaty, which this is all about.

[Kafarova] I think we are progressing toward the Union treaty and we want to have a single Union and a strong Union, where the sovereign rights of every republic are taken into account. We say that Azerbaijan is a rich republic—it is rich in oil and cotton. New prospects are opening for cooperation between Azerbaijan and other foreign firms, so that Azerbaijan can invite them over and set up joint enterprises, and I think that Mikhail Sergeyevich Gorbachev's trip, his conversation and the agreement with the seven, also opens the path for Azerbaijan and Azerbaijan can cooperate more closely with its closest neighbors—with Iran, Turkey and the Western countries. I think that this is a new element in cooperation for mutual understanding and to strengthen the Union.

[Dementey] There is accord and mutual benefit between the Union republics. It is all being sorted out in major economic, political and all other mutual relations. What we are seeing today is that if there is mutual trust any collective succeeds, and especially the Union that is taking shape today—it is succeeding. We are going—I don't think that Mikhail Sergeyevich is just going to this meeting with outstretched hands to ask for something; we are a powerful nation that can faciliate the development of the world community and we must fulfill this role.

[Correspondent] Vitold Pavlovich, some words on the economic basis. Do you feel that these issues have been resolved, that this is a reliable basis for Mikhail Sergeyevich to travel to London?

[Fokin] Today, all those present at this meeting wished our president a good trip. We all understand full well that in isolation it is impossible to reform our society in earnest. That is, for there to be real, serious, I would say profound reforms, international cooperation is of course necessary; of course support is necessary and of course investments and so on are necessary. This does not mean we are planning to live in debt. We will rely on our own forces. We need a stimulus to start up the engine of the market. But we plan to work ourselves. We are not planning to leave only debts to our grandchildren. This, perhaps, is the essence of what took place here in Novo-Ogarevo today.

[Correspondent] Mikhail Sergeyevich, there are members of the Cabinet here and there are academic economists, as I see: What function did they have here at the conference today?

[Gorbachev] Well to today's nine-plus-one one ought also to add plus nine, that is to say the leaders of the governments of the Union republics were also invited to this discussion because the economic aspect here is the leading one and we wanted them to take part, especially since what we were talking about were problems of political stabilization which is a prerequisite without which all the rest is just Utopia. If this exists, if there is agreement on such a broad basis, on the unification of national, of pan-national forces, patriotic forces, then one can think about the most risky and the most far-reaching reforms. That is the most important aspect as far as the leaders of the Union and the republics are concerned. On the other hand there are many aspects connected with economic reform. In general terms this is the most urgent task today. It is being dictated first and foremost I think by the social situation in our country and also by the question of how we are going to continue developing this enormous country so that all people feel confident, not just from the viewpoint of their own national well-being, but with regard to people's living conditions, and with regard to looking confidently into the future bearing in mind the fact that their children will live in tranquility too. A very great deal is involved here.

I would say that the discussion on economic issues took up one of the central—perhaps this was even the central problem of this discussion, because with regard to political reform, the issue of a concensus—this is already clear, it has already been grasped by our whole society. We understand that it is impossible for this not to be. Without this there is confrontation and a dead-end road without prospects. This must be said bluntly. Those who push us in that direction, those who are looking for enemies and opponents, reds, whites, blacks and so on and so forth, they are yesterday's people and it cannot be entrusted to them. I think that this question is already clear. What was necessary today was to thoroughly work through the economic aspects of cooperation between the republics. Everyone... [changes thought] understanding was manifested here that we are capable of resolving all problems more sucessfully if we remember that we have developed as a single, powerful economic market in which to a large degree—whether we like it or not it is already a reality—the division of labor has taken place.

We are all very dependent. There is a tremendous degree of interaction. Destroying it under the guise of sovereignty, as it were—no, this is not what sovereignty consists of. Sovereignty consists in giving, allocating powers correctly, so that republics can exert influence on all the processes, take part in all processes, in everything, on the macro-level, middle level and all levels alike. This, then, is what is needed and it is, after all, what is expected of us, and not the destruction of these natural ties underpinning our economy.

Listen, processes of integration are taking place everywhere, that is what makes the economy grow, in Europe, in North America, everywhere. We are moving away from one extreme, that of doing things in a unitary way, the command system that failed to provide the oxygen either in the economic sense or in the sense of spiritual and social development and so on. However, we must not go to the other extreme—autarky, exclusivity, creating individual principalities with all of these borders a modern economy will not accept. This would be ruin.

Well, all this was broadly discussed today and understanding the fact that we ought to preserve this market, to give it second wind, as it were—that is how I would put it, yes—interactng, making use of the initiative of the workforces, regions, people, the private initiative—this was discussed and there is understanding concerning it.

[Correspondent] Is this what your London economic concept consists of?

[Gorbachev] It was certainly not all. It is only part. The concept begins with the fact that there are enormous political changes in the world. Political dialogue is building up. Processes of disarmament are taking place. People are establishing relations and interacting, Helsinki and the Paris Charter and so on. But the economy? It is lagging behind. But I will tell you each and every process can be reliable and promising if it is based on firm economic interdependence. That is what it is about. Everything is crucial. It is a decisive moment. The concerns are big. The decisions are difficult. There is no need to simplify anything. Well, the consensus is there, and its transformation into specific political and practical steps is something else and you know we must do everything in such a way that people understand us. This is necessary so that they support it. Without this support nothing will happen. We are then simply doomed. But we must do all this and I am confident that people will hear us and support us at this decisive turning point in our fatherland's history.

IZVESTIYA Reports News Conference

LD0907224591 Moscow IZVESTIYA in Russian 10 Jul 91 Union Edition p 1

[Report by TASS observer B. Grishchenko under the general heading: "Novo-Ogarevo-London: 'The President Takes Our Agreement With Him'"]

[Text] It seems to me that B.N. Yeltsin's words during the brief closing conversation with journalists expressed most clearly the essence of what happened outside Moscow on 8 July as a result of USSR President M.S. Gorbachev's meeting with the leaders of the nine republics. The three-hour discussion of the whole range of issues connected with the head of state's forthcoming trip to meet with the G-7 leaders ended with an impromptu news conference on the steps of the white-columned residence which is already aptly being called the cradle of the new federation.

Despite the warm summer rain and the eternal lack of time, the USSR President, the top leadership of the republics and the Union Cabinet of Ministers, and the country's prestigious economists spent 30 minutes giving the representatives of the mass media a detailed account of the conference's results. Readers know how the conference itself went. I would like to draw your attention to the lightning news conference at the end, because it is remarkable in its own way.

First, such conferences at Novo-Ogarevo have never ended so quickly.

Hence the second, purely emotional impression. Never before at Novo-Ogarevo has there been such a unity of views and sense of a being a team aiming at common results for the sake of the future of the renewed Union and of each republic; the people who came out onto the steps in front of the building had accomplished a great, very difficult, but vitally necessary deed and were aware of it.

Then, during the conversation, recalling, as comrades in arms do, the very beginning of the Novo-Ogarevo process, they paid tribute to their joint efforts.

M.S. Gorbachev: "I recall back in April when the ground shook under our feet and the roof creaked."

B.N. Yeltsin: "It was no easier in February or March. Doubts prevailed then; we couldn't even choose a venue for the talks..."

Now in brief, the actual questions that the journalists put to the participants in the meeting and the answers that the representatives of the mass media received.

The USSR President was asked whether complete agreement had been reached on the questions under discussion on the eve of his trip to London.

We were united, the head of state said, by a sense of common responsibility—I do not exaggerate when I say that it has formed the basis of all the historic meetings at Novo-Ogarevo. When making maximum efforts to bring the country out of the deep crisis, we think first and foremost about the people and the real consequences they must be experiencing—both politically and economically. Today we have the concrete results of those efforts. I attach very great significance to this process because it is founded on agreement and the pooling of

efforts necessary for the solution of the tasks that have confronted the radical renewal of our society and its transition to the market.

Thus I am going to London not just with a mandate based on my own convictions and ideas but with the common position of the union republics. Consequently what I intend to say in the British capital will be our agreed position. This is very important. I think that this is important first of all to us—the people living in this vast country, which plays a corresponding role in the destiny of modern civilization. I am satisfied with the results of the meeting.

Of course, there were also problems in the coordination of the joint steps. It cannot be denied. A vast amount of work has been done and the kind of mutual understanding has been reached that leaves nothing else to do but go resolutely forward along the path of profound democratic and economic transformations within the framework of the Union treaty. That is what should give us political and financial stability and a stable situation, which ultimately will help to overcome the crisis.

B.N. Yeltsin joined in the conversation.

"I would like to note two points. The first is that the USSR President will be going to London bearing not only the position of the center but also the opinion of all nine republics and their leaders. This is a coordinated opinion. I think that this is important not just for Soviet people but also for the G-7 countries.

Second. The president of an enormous state is going to express views on the programs which could be implemented in conjunction with the G-7 countries, in our mutual interests. This is especially important in the period of our transition to a market economy. Why the speculation here about "outstretched hands?" And another thing. I would especially like to note the role of Novo-Ogarevo as the cradle of the political process in which the dominant features are respect for the republics and for one another, a sense of principle, and a striving for rational compromise for the sake of the creation of our renewed state.

President I.A. Karimov of the Uzbek SSR [Soviet Socialist Republic]:

"I want to add that our meeting studied once again the question of how the USSR President's forthcoming visit is viewed by our republics, which have consequently placed full confidence in M.S. Gorbachev prior to London. Our clear-cut opinion is that this meeting was necessary. But the most important thing is that today we examined the whole range of problems from the standpoint of the people, ordinary people—the way in which they see the President's meeting with the G-7. What Mikhail Sergeyevich told us today conforms with the thoughts, aspirations, and wishes of the country's citizens. M.S. Gorbachev will be going to London with the authority of the people."

"All those present at the meeting today bade the USSR President bon voyage," Ukrainian SSR Prime Minister V.P. Fokin went on. "Because we understand perfectly well that the major reform of our society is impossible in isolation. Profound reforms need international cooperation. But this does not mean that we are planning on living in debt.

"We are pinning our hopes on our own efforts, we need the impetus to set the engine of the market in motion. But we are going to do the work ourselves; we do not intend to bequeath our grandchildren nothing but debts."

"The important thing is that we are moving toward the Union treaty, we want a united, strong Union in which the sovereign right of each republic would be taken into account," E.M. Kafarova, chairman of the Azerbaijan Supreme Soviet, added. "Azerbaijan is a republic rich in oil and cotton. New prospects are opening up now that would enable it to cooperate more widely with foreign countries, invite businessmen and firms in, and create joint ventures. I think that M.S. Gorbachev's trip and his meeting with the G-7 offer precisely such opportunities to Azerbaijan."

The USSR President was asked: What was the role of the economists taking part in the conference? The economic aspect, M.S. Gorbachev replied, is the leading one here. Of course, political stabilization was under discussion too. Without it all the rest is a pipe dream. If there is agreement on a broad basis, on the unification of national and pan-national patriotic forces then you can contemplate the most far-reaching reforms.

There are many important aspects of the reform of our economy here. That is the most topical task today—one that is dictated primarily by the social situation in the country. It is important how we proceed next, how we develop this vast country so that each people feels confident in it both from the national and the economic viewpoint and looks to the future with confidence.

I would say that the discussion on economic questions took center stage. After all, the idea of the political reform and accord is already understood and realized by our whole society. Without that there is deadlock. And those who urge us along the path of confrontation, in search of opponents—they are yesterday's men.

Today we had to thoroughly work out the economic aspects of the republics' cooperation. In evidence here was an understanding of the fact that we will be able to resolve all the problems more successfully if we remember that we were formed as a single, powerful market in which—whether we like it or not—the division of labor exists. We are very dependent on each other, the degree of cooperation is enormous. Is this to be destroyed under the guise of sovereignty? No, that is not sovereignty! This is understood in the republics now.

We are moving away from the unitary system, from the command system that did not let the republics breathe.

But we have no right to go to the other extreme—that of autarky, exclusiveness, a patchwork of borders that a dynamic economy will not accept. That would mean ruin.

The whole complex of these questions was discussed today. The understanding of the fact that we must preserve the single market, give it new life, using the initiative of collectives, the regions, private initiative—that was what we discussed, and we saw for ourselves that there is understanding here.

My London concept is based on the fact that the political changes in the world are enormous, dialogue is increasing, and the processes of disarmament and cooperation are in motion. But the economy? It is lagging behind. But a process can be reliable and promising only if it is based on economic interdependence. In that sense I must say that a high level of vision and understanding of responsibility was shown here today.

N.I. Dementey, the ever-calm and sensible chairman of the Belorussian Supreme Soviet, stressed:

"It is necessary to help the first shoots of those good seeds that we have sown together. The new Union is built on a fundamentally new basis. Agreement and mutual benefit are effective factors in relations between republics. Mikhail Sergeyevich is going to London as head of a mighty state capable of promoting the development of the world community. We must carry out that role."

Concluding the impromptu news conference, the USSR President said:

"It is all very crucial, the moment is decisive, the concerns are great, the decisions difficult, and there is no need to simplify anything. Agreement has been reached. It is necessary to act so that the people understand and support us. Without that support nothing will happen. I am confident that the people will hear and support us at this crucial moment in the country's history.

Such is the alignment of forces at Novo-Ogarevo now. For the information of those preparing the London meeting: The Soviet president's course has received the full support of the republics creating their new Union.

TASS Views Meeting

LD0907195791 Moscow TASS in English 1924 GMT 9 Jul 91

[By TASS World Service observer Vladimir Isachenkov]

[Text] Moscow July 9 TASS—The world is discussing possible results of President Mikhail Gorbachev's meeting with the G7 leaders, but at least one result is clear—republican leaders will not say that the Soviet president has neglected their interests.

During their meeting in Novo-Ogarevo on Monday, the centre and republics demonstrated an unprecedented, in the past months, level of accord and easily agreed on a common position, which proves that cooperation with the West is among the strongest uniting stimuli helping retain a single state.

Republican leaders are well aware that it is easier to receive help together than to ask for it independently. After the centre agreed to transfer a considerable part of its powers to republics, their leaders are convinced that they will be able to take part in distributing western credits and will not allow union bodies' arbitrariness [words indistinct].

The Soviet president will leave for a meeting with the G7, having secured the rear, which it was hard to imagine until recently.

Republican leaders have been sticking to their promises, given in the nine-plus-one statement. Eight republican parliaments have approved in general the draft union treaty. The Ukraine is the only exception, as it has postponed the discussion of the draft until September.

Russian President-elect Boris Yeltsin's position is inspiring particular hopes, as he seems to have done away with confrontation with the centre and is disposed to cooperation with Gorbachev.

Only due to his firm position supporting a union treaty, the Russian parliament ratified the draft last week, rejecting radicals' proposal to suspend the discussion.

On Monday, Yeltsin supported President Gorbachev's position for his meeting with the G7 in an unprecedented warm and friendly tone. Today, he told correspondents that he is planning to support Mikhail Gorbachev during the forthcoming presidential elections in the Soviet Union, "on condition that Gorbachev continues his current course respecting republics' sovereignty".

Yeltsin's position must have been prompted by his confidence that the centre is ready to share a considerable part of its powers and gradually become an executor of republics' will, rather than an all- mighty master of the country.

The draft union treaty gives grounds for such confidence, and (?now) meets practically all republics' demands. Recently, the centre has made concessions on the main disputable issue, agreeing to the proposal by Russia and the Ukraine on a one-channel taxation system.

Until recently, the centre insisted on a two-channel system, according to which [word indistinct] taxes are introduced all over the country in addition to republican [word indistinct].

On July 5, the Soviet president approved the anti-crisis programme drafted by the Soviet cabinet. Russia and (?the republics) have signed it with an amendment, eliminating federal taxes.

Now, Russia and the Ukraine have been given the right to determine the share of republican taxes they are ready to [passage indistinct].

Shevardnadze on Plans for New Political Movement

PM0907085291 Moscow ROSSIYSKAYA GAZETA in Russian 3 Jul 91 p 1

[RIA report from news agencies roundup: "Shevardnadze Has Made a Move"]

[Text] Eduard Shevardnadze informed an RIA correspondent that the appeal to fellow citizens "For Unification of the Forces of Democracy and Reform," signed by seven prominent figures of perestroyka, pursues the aim of establishing a new political movement.

According to Shevardnadze, the movement's organizational committees will be established in the very near future in republics, cities, and rayons. It has not been ruled out that they will also be established in enterprises and institutions, if the CPSU does not agree to departyization. This September the movement plans to hold a founding conference where it will be decided whether or not the movement should become a political party. Shevardnadze himself favors the establishment of a strong political organization of the parliamentary type.

Shatalin Wants Gorbachev in Democratic Movement

LD0907215791 Moscow Russian Television Network in Russian 2000 GMT 9 Jul 91

[From the "Vesti" newscast]

[Text] Academician Shatalin, one of the originators of the Movement for Democratic Reform and a member of the now extinct Presidential Council, has spoken in favor of admitting Mikhail Gorbachev into the movement. Earlier Eduard Shevardnadze made a similar proposal.

Significance of Shevardnadze Movement Viewed

PM1007085591 Moscow PRAVDA in Russian 5 Jul 91 Second Edition p 2

[Article by Anatoliy Karpychev: "Major Maneuvers"]

[Text] If we add to the level of emotion generated by the appeal from the "nine" (A. Volskiy, E. Shevardnadze, A. Yakovlev, A. Rutskoy, A. Sobchak, and others) for people to join the new democratic "Movement"; if we treat their step quite calmly and sensibly; and if we also avoid the temptation to suspect this step as being tainted by "plotters" who are unscrewing the track under the party locomotive, then the usual question remains: why such a fuss? Do we really have so few movements? In my view, they are ever-present in our entire life today. That is why it seems to me that if there had been no names of people close to Gorbachev in an official capacity to be found at the bottom of the "'V' [third letter of the Cyrillic alphabet] to 'Ya' [last letter of the Cyrillic alphabet] statement" (as it has been dubbed) it would not have caused such a fuss.

Nonetheless... it is interesting. For me, for instance, the actual composition of the "nine" founders of the new movement is interesting. There are two former Politburo members, two current mayors, two academicians who had previously assisted the president, one premier, and the new vice president of the RSFSR [Russian Soviet Federated Socialist Republic]. They include anticommunists (Popov, Sobchak) and Communists (Rutskoy, Volskiy). Some have already "disavowed" the president...

These are very different people... So let us then try to understand why they met in a gathering hosted by the mayor of the capital. NEZAVISIMAYA GAZETA reported that they met in his Brocade Room. Just what is happening?

A lot of serious things are happening. And, I would say, in a phased way. Not least in the party. It is well known that a new draft CPSU program has been prepared. It has been discussed at the CPSU Program Commission and is now being submitted to the plenum. This, in my opinion, was the catalyst for the activeness shown by various forces both inside and outside the party. This is a good thing, since it has now largely become clear just who is who in the CPSU, the Russian Communist Party, and the president's entourage. People can be divided up on the basis of their attitude to perestroyka, Gorbachev, and the Communist Party... Just what does the "Movement" want in calling for veterans, CPSU members, young people, and all supporters of democracy and reform to join it?

"The country is in crisis," the appeal says. "People no longer understand each other or listen to each other. Conflicts prevail. There is cruelty, malice, and violence. Choice is extremely limited"...

What, in the opinion of the "Movement," could constitute a choice? Either the country goes further down the road of perestroyka, or there will be a mutiny by reactionary forces blinded by their hatred of freedom and progress, and a new dictatorship...

Strong words, but we have been through this before. Either, or. There is no other option. To a certain extent it strikes me that the April Plenum of the Central Committee and Central Control Commission was a rehearsal for one "mutiny." To its ringleaders' disappointment it was not very successful. Clearly, it cannot be called a general mutiny either. But it can be called a test of strength. Is that why the "Movement" was born? As a retaliation... It is quite possible.

Somebody might say that this happened at the plenum and is over and done. It is not. The sickness has worked its way inside. Some of the party and state elite are clearly worried. "Either, or." They have made their choice: against perestroyka and against Gorbachev. Am I falsifying the picture? I do not think so. I can judge from the reaction to my article "Will the President Part

Company With the General Secretary?" There were negative and sometimes abusive reactions from certain party workers. Well, good luck to them. Ye.K. Ligachev wanted to respond. He expressed the view that the idea of the revenge of the apparatus had allegedly been suggested to me by the president's "advisers." Quite honestly, I did not speak with any of them. I came to my conclusion from the information reaching PRAVDA correspondents from local level. Such information is still coming in.

But let's return to the "Movement." It would be interesting to know how the USSR president reacted to it. His aide reported his first reaction: "The movement is not confrontational. It is calling on all those who are sincerely committed to the ideals of perestroyka and the success of our cause in the country. If you view the 'Movement' organization in this way, it is a positive development."

We shall see.

Incidentally, a U.S. State Department spokesman, commenting on the creation of a democratic movement in the USSR, stated: "The U.S. Government steadily supports democratization in the Soviet Union and welcomes the creation of a new political movement as a step forward in this process. The creation of the new political movement is yet further confirmation of the development of political pluralism in the Soviet Union, and this can only be welcomed. It demonstrates the further normalization of Soviet political life and is a positive step on the road of reform in the USSR."

I mention this in passing, not as a defense.

The main issue is not that the movement has emerged. The main issue is whether it will become a party. As soon as it becomes a party its goals will be different. If it is a new party, foreign observers are noting, then the CPSU—which is in a crisis—will find it relatively hard to survive. There have been rumors to the effect that the "Movement" is aiming to "attract" M.S. Gorbachev to its ranks. Western observers, as ever, are going "further" and speculating on whether the creation of this organization will become a way for President Mikhail Gorbachev to ultimately leave the Communist Party and whether, in that event, the organization would provide a basis for supporting M.S. Gorbachev's candidacy in the direct USSR presidential elections expected next year. Many questions are being asked today without any clear answers. We can only speculate.

It is a difficult situation. And it is not a question of E. Shevardnadze or anybody else from among Gorbachev's former or current comrades leaving the party. They are entitled to choose whom they want to go forward with. That is a matter for each individual's conscience. But I am absolutely convinced that Communists themselves should not launch a "civil war" within the party.

The people are tired. They may accept the "Movement," they may not. The people have believed a great deal and been disappointed by a great deal. There was a glimmer of hope after the "nine plus one" agreement. And then there was another outburst of emotion..., more calls for the "next step" to be taken. In which direction? Well, you can throw as many fine words as you like into the caldron of political passions and schemes—both covert and overt.

Union, Republics' Interior Ministers Confer

PM1007093991 Moscow PRAVDA in Russian 5 Jul 91 Second Edition p 6

[Interview in response to reader's letter with A. Chernenko, leader of the USSR MVD Public Relations Center; date and place unspecified: "Professionals Have No Differences"]

[Text] "I quite unexpectedly learned that in June there was a meeting between all Union republic ministers of internal affairs and B. Pugo. I do not understand why journalists failed to cover it. Or was it held in secret? At any rate, does PRAVDA have any information about this meeting?" D. Borisov, Plavsk City, Tula Oblast.

We put this reader's question to A. Chernenko, leader of the USSR MVD [Ministry of Internal Affairs] Public Relations Department.

[Chernenko] Let me make it clear straightaway: There was nothing "classified" about it. Moreover, a report and brief details on the meeting were given on the TV program "USSR MVD Reports." But there was no "showpiece" with journalists descending from all the Union republics, because the meeting was businesslike, specific, and planned to last just a few, intensive hours. The Union ministry leaders were working on the basis of flying in and flying out the same day. The main aim of the meeting was to elaborate approaches to the concept of demarcating powers in connection with the signing of the new Union Treaty. All the leaders of the Union republic ministries attended. They had quite sufficient—and, in terms of state law, I would say undoubted—authority to sign the meeting protocol.

I would particularly note that each conference participant had an opportunity to amend the protocol and it was signed taking account of absolutely all amendments.

[PRAVDA] And what is the essence of the document?

[Chernenko] All those present unambiguously advocated the existence of the Union MVD to coordinate and lead the law-enforcement structures which fall within Union jurisdiction. That is, the meeting marked a kind of consensus arrived at by Union republic ministers.

[PRAVDA] What about those republics which have announced their secession from the Union or are dropping unambiguous hints about it?

[Chernenko] Even the representatives of those republics which will have to experience a transitional period with us before possibly leaving the Union did not make any

objection. And that is understandable: Professionals have no differences. For instance, the fight against organized crime requires absolutely reliable working relationships, mobility, and a high degree of professionalism and information. Everyone realizes that keeping investigations within narrow national bounds only plays into the hands of interregional criminals.

And, finally, there are the relationships between republic ministries and the central MVD. I am thinking of finally breaking down bureaucratic barriers and seeking new forms of working without directives from the center, the modernization of services, and so forth.

[PRAVDA] But some republics are already seeking new forms of work which require the creation of new formations in law-enforcement structures. There are departments, customs offices with special functions, and "nonstandard" types of punishment—for instance, in some places floggings are already being administered to hooligans. Incidentally, it is said that at the conference Minister B. Pugo even promised to issue weapons to a number of newly created state legal formations. How far is this accurate?

[Chernenko] Regional ministry leaders have been recognized as being entitled in principle to conduct searches and to set up more effective militia (police) subunits—and this has essentially already become the practice. And I would particularly stress that there is no foundation to all the rumors, conjecture, and interpretations about the alleged presence in the protocols to the aforesaid meeting of a statement from the Union minister on the issue of weapons to certain formations, departments, and so forth set up in a number of regions. The USSR MVD will not be issuing any weapons for the simple reason that nobody has empowered it to do so.

ROSSIYSKAYA GAZETA on Reform Movement

PM0907155591 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jul 91 p 1

["Our Commentary" by political observer Igor Korolkov: "Names Give Rise to Party?"]

[Text] The number one event in the country is the statement by the "nine" of their intention to set up the "Movement for Democratic Reform." Its signatories are well known. Their names are linked with steps to democratize society. Most of them have been anathematized by CPSU conformists.

Judging from Shevardnadze's statement in Vienna, the "movement" aims to be a powerful counterbalance to the Communist Party. There are disputes as to whether the "movement" will become that kind of counterbalance. Obviously, people are banking on its splitting the CPSU. Many Communists who have gotten accustomed to being in the party do indeed seem to be frightened to leave it and end up outside a political organization. The force fields around unknown leaders cannot wrest a rank-and-file party member away from his customary political niche. But here wherever you look there's prestige: former Politburo members, scientists with a world reputation... That must impart boldness and awareness that a person is doing nothing reprehensible in switching from the CPSU to the "movement."

That is what works in favor of the "nine," but this argument does have its reverse side. Since the conditions for a painless transition are obvious and the program proclaimed by the CPSU at the 28th congress is similar to the principles espoused by the "movement," is there any point in switching?

The multiplicity of parties and people's general political weariness notwithstanding, they can be involved in another political organization by a very clear, specific aim. The Sajudis movement in Lithuania united hundreds of thousands of people by its endeavor to render the republic independent. What aim, apart from weakening the CPSU, does the "Movement for Democratic Reform" set itself as it tries to unite within its ranks, as one newspaper wrote, the "elite nomenklatura, captains of industry, and the idols of democratic rallies"? The democratization of society? Will the "movement" be able to become a strong party on that basis?

In my view, we are observing an interesting Soviet phenomenon. An attempt to create a party not on the strength of an idea but on the strength of popular names. What social strata will form the foundation of the party? Some people within both the CPSU and the military-industrial complex have broken away and joined the "movement" banner. But however great the influx of these forces proves to be, will it be commensurate with what is planned?

I think that observers are rightly noting that republic parties and public movements have displayed great suspicion toward the "movement." At a time when the republics' role is increasing, the emergence of a new Union monster will frighten off many people.

I think that many people will also be frightened off by the fact that it is people who have played an extremely appreciable role within the CPSU who have organized the "movement." They simply do not trust these people, seeing the initiative as a new move in a subtly conceived game. That, incidentally, was how N. Travkin, leader of the Democratic Party of Russia, who refused to join the alliance, commented on the situation.

Not knowing the details behind the emergence of the "movement," people are entitled to make these kinds of surmises and to assume that an attempt is thus being made, perhaps, not so much to weaken the CPSU as to save it by reform. In view of the experience of communist parties in Eastern Europe, it is quite possible that a section of the CPSU leadership is trying to transform it into a social democratic party.

For myself I will say that there is nothing wrong in that. It is hard to destroy the CPSU monolith, and obviously

this is an the acceptable means of turning it from a state structure into a normal sociopolitical organization.

September will show how attractive the principles avowed by the "movement" prove to be, how capable they are of uniting people, and how possible it is in general for an influential party to emerge "on the strength of reputations."

Official on Danger of Organized Crime

LD0907205691 Moscow TASS International Service in Russian 1230 GMT 9 Jul 91

[Text] Moscow, 9 July (TASS)—TASS correspondent Alekskandr Borisov:

According to a number of experts, the turnover of organized crime in the USSR in 1991 is estimated at 110-130 billion rubles [R]. This was stated at a briefing which took place today in the USSR Ministry of Internal Affairs by Aleksandr Gurov, chief of the main administration for fighting organized crime of the USSR Ministry of Internal Affairs.

According to the most conservative estimates, he noted, in the next few years the turnover will reach R170-200 billion per annum (in the initial years of economic reform in the years 1987-1988, it was R70-90 billion). Moreover, organized crime will account for approximately 30-40 per cent of the country's GNP. The situation will be complicated by the worsening of economic indicators for the work of the state sector of the economy and al slump in production.

Organized crime, thinks Aleksandr Gurov, will represent an increased danger for the economic mechanism of the state and will inflict a most tangible material loss both on the republics and the country as a whole. Nonetheless, according to his data, certain republican leaders, including those of law enforcement bodies, are ignoring objective processes in society and are trying to cope with this dangerous social phenomenon locally, at an individual republican level.

With the aim of putting a stop to criminal activity of an inter-republican nature, reported Aleksandr Gurov, the main administration for fighting organized crime of the USSR Ministry of Internal Affairs has come out as an initiator for setting up federal structures—inter-regional (regional) administrations [upravleniy] to fight organized crime. They have now been created in 10 republics. The number of officers is about 2,500. Meantime, thinks Gurov, it is perfectly obvious that the neutralization of mafiosi clans and their corrupt protectors, who have put roots down far beyond the confines of this or that region, is impossible without a special service of a federal nature.

According to data from the main administration for criminal investigations of the USSR Ministry of Internal Affairs, 1,641 organized criminal groups were exposed in the country last year. More than 5,000 such groupings of various tendencies and numbers are now under the surveillance of law enforcement bodies.

Poll Views People's Toleration of Domestic Events

LD0907183991 Moscow Russian Television Network in Russian 1700 GMT 9 Jul 91

[From the "Vesti" newscast]

[Text] The All-Union Center for the Study of Public Opinion has conducted a poll on the subject: How much longer will the Soviet people be able to tolerate their calamitous situation? It turned out that 25 percent of those polled are of the view that patience has already run out; 21 percent think that one can endure several months more; while 23 percent are convinced that our people's patience is boundless. [figures as given]

USSR Law on Prosecutorial Appeals

91UN1916A Moscow IZVESTIYA in Russian 22 Jun 91 Union Edition p 2

["Law of the Union of Soviet Socialist Republics: On Judicial Examination of Prosecutors' Appeals on Declaring a Legal Act Unlawful and on Introducing Additions to the USSR Law 'On the USSR Procuracy'"]

[Text] The Supreme Soviet of the Union of Soviet Socialist Republics **resolves**:

1. To establish that, in the event a protest declaring a legal act unlawful is declined, a prosecutor has the right to appeal to a court with an application to declare the act under protest unlawful.

The prosecutor's application is examined by the court within 10 days, according to the rules established by this Law and by civil procedural legislation of the republics for cases arising out of administrative-legal relations.

The prosecutor's application is examined with his participation and with the participation of the director of the organ which made the decision to decline the protest, or his representative.

Failure of the director of an organ making a decision to decline a protest, or his representative, to appear at the judicial session for inadequate reasons will not serve as an obstacle to the examination of a prosecutor's application, but a court may declare the appearance of such a person mandatory.

If the court establishes that the prosecutor's application is well founded, it issues a decision on compliance with the application and on declaration of the legal act as unlawful.

If the court acknowledges that the act under protest was adopted in accordance with the law and within the limits of authority of the organ which promulgated it, it issues a decision on rejection of compliance with the application.

2. To introduce the following additions to the USSR Law "On the USSR Procuracy" (VEDOMOSTI VERKHOVNOGO SOVETA SSSR, 1979, No. 49, Item 843; 1982, No. 49, Item 935; 1987, No. 25, Item 349):

add Parts 6 and 7 to Article 24, as follows:

"In the event a protest is declined by the organ issuing an unlawful legal act, or by a higher level organ, the prosecutor has the right to appeal to a court with application to declare this act unlawful. Application to the court may be served within a 10-day period from receipt of information on declination of the protest, or of expiration of the period established by law for its examination.

"A prosecutor's appeal to the court suspends the legal act under protest until examination of the case by the court";

add Article 27 superscript 1 to the Law, as follows:

"Article 27 superscript 1. **Responsibility for Obstruction of a Prosecutor's Lawful Activity**

"Obstruction of the lawful activity of a prosecutor, manifest in a refusal to present acts or other necessary documents, materials, and information, refusal to conduct examinations or inspections, to allocate specialists, or to appear at the prosecutor's office or provide explanation as to violations of the law, will entail the imposition of administrative penalties in the form of fines in the amount of 100-300 rubles [R] for citizens, R300-1000—for responsible officials.

"The prosecutor sends a decree (official report) on the institution of proceedings on an administrative legal transgression and other materials to the court, which examines the case according to procedure established in USSR and republic legislation."

3. In Part 2 of Article 14 of the Legislative Principles of the USSR and Union Republics on Administrative Legal Transgressions (VEDOMOSTI VERKHOVNOGO SOVETA SSSR, 1980, No. 44, Item 909; 1987, No. 22, Item 312; 1988, No. 31, Item 506; VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV SSSR I VERKHOVNOGO SOVETA SSSR, 1990, No. 15, Item 247, and No. 45, Item 953) to add, following the words "for violation of requirements for the safe and secure conduct of operations at defense industry facilities, and nuclear power and production facilities—a fine of up to R500", the words: "for obstruction of the lawful activity of a prosecutor—a fine of up to R1000."

4. The Supreme Soviets of republics will bring their republic legislation into conformance with this Law.

[Signed] M. Gorbachev, president of the Union of Soviet Socialist Republics.

The Kremlin, Moscow, 11 June 1991.

Ivashko Heads Session on Workers Movement

914B0212A Moscow PRAVDA in Russian 28 Jun 91 Second Edition p 2

[CPSU Central Committee Press Center report: "The Party and the Workers Movement"]

[Text] A meeting of the CPSU Central Committee Secretariat has been held under the chairmanship of V.A. Ivashko, deputy general secretary of the CPSU Central Committee.

Much is being said and written today about the workers movement. While rightly putting it in the category of the most important factors determining the social and political and economic situation in the country and the fate of the reforms, people frequently reduce the actual concept merely to the strike struggle and the activity of the workers committees.

Is this right? In the opinion of V.A. Kuptsov, secretary of the CPSU Central Committee and the principal speaker on this issue, the contemporary workers movement also incorporates other diverse forms of the assertiveness of the working class. Processes of the renewal of the unions and the activity of the work force councils and a variety of social and political workers associations are included here also. As a whole, the problem of the workers movement is complex and multifaceted and in need of theoretical and political comprehension. While declaring in pre-perestroyka times the leading role of the working class, scholars did not study in earnest its real position and the deep-lying changes and development trends occurring in it. Nor did the party in its documents speak about any forms or manifestations of the workers movement in the USSR.

This is why this phenomenon came as a surprise both to the party's directive bodies and to many party organizations. People locally were unprepared theoretically, politically, and organizationally for the abrupt stimulation of the workers. The need for an all-party document which made an in-depth analysis of the situation in the workers movement of the country and determined the tasks of the party committees emerged. A draft document was prepared. It was the result of lengthy painstaking work. V.A. Kuptsov observed, inter alia, that composite teams led by members of the Central Committee traveled to the biggest "flash points," the opinions of a number of Union republic Communist Party central committees, kray and oblast party committees, and research establishments were solicited, and "round-tables" and debates with workers, trade union activists, party organization secretaries, and sociologists were conducted for study of this question. The ideas and proposals expressed were studied in detail by the CPSU Central Committee Sociopolitical Commission.

The fact that a large group of workers, union officials, scientists, and people's deputies of the USSR were invited to the meeting of the CPSU Central Committee

Secretariat also testifies to the democratic nature of the preparation of the question.

At the initial stages of perestroyka, which began on the initiative of the party, K.A. Nikolayev, member of the CPSU Central Committee, bulldozer operator of the Mosstroymekhanizatsiya Trust No. 3, and chairman of the Moscow Workers Club, said, the workers supported the policy of renewal oriented toward the interests of the working people. But the unjustified expectations of rapid positive changes, the decline in the working people's living standard, the polarization of social groups by income, and the growth of crime contributed to the growth of the mood of disenchantment in the worker milieu. The organs of self-management in the work force have not been duly developed. The workers' participation in the elective organs of soviet power has diminished. In the speaker's opinion, the defensive, insipid tactics of the party organizations here have been disastrous. The passiveness of the communists is in sharp contrast with the considerably increased assertiveness of other political forces, primarily those that are opposed to the CPSU.

This theme was continued by N.P. Kustarev, people's deputy of the USSR from the CPSU and blacksmith of the Nizhegorod Motor Works. It can be clearly seen today, he said, that each in the least significant political organization is endeavoring to strengthen its positions in the workers movement. Any pretext, particularly situations where the workers, seeing the inactivity of the party and union organizations, are reaching the conclusion as to the need for independent assertive action in defense of their interests, is being used for this.

The working class is interested in the implementation of urgent economic and political transformations. But the discrepancy between its determining role in the life of the country and its actual alienation from ownership and power not only has not been overcome but has been revealed even more. This was the far from heartening conclusion reached by V.A. Yarin, member of the USSR Supreme Soviet. Thinking about the workers movement in renewal, the well-known worker member of parliament expressed a number of constructive proposals aimed at imparting positive, creative principles to the workers movement.

V.V. Nosov, chairman of the CPSU Central Committee Primary Party Organizations Council and secretary of the party committee of the Likhachev Moscow Auto Works, devoted his speech to the priorities which the CPSU should uphold in the reform process. A most important priority, in the speaker's opinion, should be the party's assurance of the strong economic, political, and social positions of the working class under the conditions of the transition to the new system of economic and social relations. It is by no means a question of a return to the old understanding of the class approach in its primitive form. If the CPSU's influence in the worker milieu declines, this could threaten the party's very existence as a substantial political force. Without active support on the part of the workers, realization of its program goals, the main one of which is the expression and defense of the working people's interests, is impossible.

The CPSU is the party of the social defense of the working people. In repeating by rote a formula which has become habitual of late few people are giving any thought to the fact that it could, if taken literally, prompt the party committees to substitute for the functions of the trade union committees. This proposition is in need of serious theoretical comprehension. New operating tactics and strategy brought about by the changed conditions in which the CPSU is functioning are required also. After all, the communists and party committees are having to answer for the unpopular measures, which are having a very perceptible effect on the working people's living standard. But on the other hand the party is proclaiming that it is their interests to which it gives pride of place. Consequently, far from everything has been thought through in depth and not everything is appropriate for the changed conditions in the policy and actual activity of the party.

Such were the conclusions reached by V.A. Gayvoronskiy, member of the CPSU Central Committee Secretariat, V.A. Mikheyev, doctor of historical sciences and professor at the CPSU Central Committee Academy of Social Sciences, and Professor A.G. Zdravomyslov, head of the CPSU Central Committee Theory and History of Socialism Institute Party Sociology Department. They shared their vision of the problems of the relationship of the CPSU and the working class and advocated the elaboration of a long-term, forward-looking strategy of the CPSU in relation to the workers movement, which should be based on in- depth study of the ongoing processes.

The Secretariat meeting emphasized the need for immediate, energetic, and at the same time balanced actions aimed at the restoration and strengthening of the party's positions in the worker milieu. Many speakers advocated the expediency of the examination of this issue at a CPSU Central Committee plenum. This proposal was supported and reflected in a decision adopted with regard for the opinions expressed. It was decided to publish it in the party press.

Personnel matters were considered also. Proposals of the Communist Party of the Ukraine Central Committee concerning confirmation as first secretary of the Chernigov Obkom [Oblast Party Committee] of P.D. Shapoval, who was previously first deputy chairman of the Chernigov Oblast Soviet Executive Committee; of the Communist Party of Kyrgyzstan Central Committee, concerning the confirmation as first secretary of the Osh Obkom of M.K. Kaparov, who was previously secretary of this obkom; of the Communist Party of the Russian Soviet Federated Socialist Republic, concerning confirmation as first secretary of the Chita Obkom of N.V. Merzlikin, who was previously head of this obkom's ideology department, and concerning confirmation as

first secretary of the Novosibirsk Obkom of V.A. Mindolin, who was previously first secretary of Novosibirsk's Sovetskiy Rayon Party Committee, were adopted.

IZVESTIYA's Political Stance Praised

914B0215A Moscow IZVESTIYA in Russian
3 July 91 Union Edition p 3

[Yuriy Orlik, IZVESTIYA letters department editor, under the rubric "Reading the Mail": "Once More About IZVESTIYA's Position"]

[Text] Judging by the mail, IZVESTIYA is being read today with special attention. Almost every major newspaper article is subjected to biased analysis. In addition, all of this is closely tied to the disposition of political forces in the country and their opposition and antagonism. I think also that the dispute on IZVESTIYA's editorial staff, which has already been going on for several months, sharpened the look at IZVESTIYA. Its essence, if you brush aside the details, lies in the different understanding "of the drama of perestroyka in its sixth act," ways of getting out of the crisis, and the place and role of the newspaper in this complicated process. In short, IZVESTIYA's political position is at issue.

Readers are expressing the fear that the situation on the editorial staff might lead to a political volte-face. "Of late, I have been having a feeling of anxiety for you and for the newspaper, which, it seems to me, is truthful and reports objectively on events in our victimized and humbled country," writes K. Pshenichnikov from Saratov. "From the very start of perestroyka, the newspaper took an unequivocal position: support for the policy of changes and radical reforms and the defense of democratic transformations," Yu. Strelchik from Rovno thinks. "With each issue, IZVESTIYA persuaded me and convinced me, and thousands and millions like me: It is no longer possible to live this way!"

The editorial mail absolutely definitively responds to the question: what the readers specifically value the newspaper for, and what they see as its assignment.

"You will continue to have support in society," writes V. Lisovenko, honored doctor of the Ukrainian Soviet Socialist Republic and a candidate of medical sciences, from Kiev, "as long as the newspaper and its collective will defend democracy and individual rights and freedom objectively, without looking to the top, and throwing light on events that occur in the country."

"IZVESTIYA workers are able to reflect a wide gamut of views objectively and, what is especially important at the present stage, to guide matters toward the achievement of harmony in society," is the opinion of Muscovite A. Zhudro. "Like no other newspaper, IZVESTIYA promotes the constructive cooperation of different political and social forces. IZVESTIYA's general orientation corresponds to the principles of the 'Nine Plus One' announcement."

Readers think that IZVESTIYA articles brought the meeting in Novo-Ogarevo closer and promoted the formation of the new idea of the USSR as a union of sovereign republics. Obviously, this does not please the supporters of the absolute power of the center, who see in the new Union treaty not a chance for rescuing, but an attempt at toppling the state. It is they who are accusing IZVESTIYA of supporting the "rebellion of the republics" (I. Soroka, Melitopol), and the "destruction of our statehood" (D. Baranchuk, Khabarovsk). What can be said about this? It would be strange if the editorial mail did not include such letters. After all, similar views, with increasing aggressiveness, right down to the demand for the resignation of the USSR president, are being espoused from parliamentary and other rostrums of the Soyuz deputy group. A. Gnoyevoy from Buzuluk in Orenburg Oblast thinks it a virtue of IZVESTIYA that "in your paper everyone is equal in expressing his views. Today, the newspaper needs this nonparty attribute (above purely party interests) very much, after so many years of grave intolerance for heterodoxy." However, the "philosophy of reconciliation and everyone compromising with everyone" (V. Shavanda, city of Minsk), and the "attempt of the newspaper to be above the fray" (N. Pavlichenko, city of Zhitomir) does not please everyone by far. Moreover, for various reasons. "Stop it, it does not happen that way. A newspaper cannot serve both our interests and your interests," writes, for example, G. Pyadyshev from Odessa. "By refusing to reflect the policy of the CPSU, it willy-nilly is beginning to serve another party..." All of the talk about independence is a deception, and an attempt to conceal the fact that the newspaper is oriented on the restoration of primitive capitalism," declares V. Kiryanov from Syktyvkar.

Let us set aside the accusations of intentions to restore capitalism. They are repeated by those for whom, such as for M. Bondarenko from Magnitogorsk, the very ideas of sovereignty, pluralism, and privatization "sound like betrayal." It is better to listen to those who do not agree with the "conciliatory" positions of IZVESTIYA for some reason.

"Appeals for civic agreement are heard frequently now, including from the pages of your newspaper," writes Yu. Lunin, candidate of technical sciences from Noginsk in Moscow Oblast ("I am 64 years old, I was in the CPSU for 38 years, but I left it"). "Agreement—who with whom? I with Nina Andreyevna? The striking miners with the party oblast committee officials? Instead of angry condemnation of Stalinism—forgiving everything and forgetting about the crimes? (This already happened—'enough about Stalin.' During Brezhnev. During Suslov). Common sense says: If you do not repeat for the people that an executioner is an executioner, and a victim is a victim, then they will grow up oblivious to what happened... In the same way, it is impossible in the same newspaper to coordinate the 'patriotism' of 'Pamyat' and the grief of 'Memorial,' and the alarm of A. Adamovich and the complacency of I. Polozkov. Although this is the kind of 'pluralism' that some demand of a newspaper."

I am ready to agree with everything or with almost everything that was said. But what is IZVESTIYA's connection here? An appeal for civic harmony does not equate to professing compromise, but it is a defense of pluralism—not a blessing to accept everything. This is what guides us, the IZVESTIYA journalists. We are convinced that our time does not tolerate vagueness and political inarticulateness. "It is not possible to be an outside observer in such a heated skirmish," R. Guz from Nizhnyy Novgorod justly remarks. Balancing (finding a way round) between extremes is dangerous for any political force, social movement, or publication that claims to have influence. "There can be no such middle of the road, placid, Tolstoy-like all-forgiving centrism," writes lawyer V. Kosmatov from Lyuban (Leningrad Oblast). "If we have chosen a left- centrist orientation, then there is no need to look continuously to the right (so that they are not offended, so that they understand correctly). Resolute steps are needed that bring us closer to democracy—political and economic."

It is understandable that not everyone likes such a position. For example, V. Berezin from Voronezh absolutely will not accept the IZVESTIYA view of events and the IZVESTIYA assessment of political figures. "You have, like a thorn in the side, Ryzhkov, Ligachev, Polozkov, Makashov, and N. Andreyev," he writes. "You immediately turn inside out any step they take and any speech they give." Muscovite A. Yeremin also adds the names of organizations—the RKP [Russian Communist Party] and the OFT [United Workers' Front]. Indeed, IZVESTIYA spoke critically of the program statements of both the Russian Communist Party and the United Workers' Front. But also of the initiative congress and various kinds of self-styled national salvation committees. But the one who on this basis declares that the newspaper is inclined to be anticommunist is resorting to forgery. He is placing an equals sign between the reform aspirations of the CPSU, which needs support, and efforts to save an ideology defeated by life with the help of OMON [Special Purpose Militia Detachments].

Some readers think that IZVESTIYA is generally not right to criticize the actions of supreme authority. Typical in this respect is the letter of B. Zelenshchikov, an engineer of the Riga electrical household appliances plant. Calling one of the "political journals" published in the newspaper a "stone thrown in the window of the Cabinet of Ministers," B. Zelenshchikov declares indignantly: "And this is a liberty taken by a newspaper which, in fact, is a government newspaper." In the course of 10 years, our government worked behind closed doors, and in secret from the people. The lack of control of the authorities is one of the reasons for the present semidestroyed condition of our society. And so, finally, the journalists acquired an opportunity to evaluate the actions of the government, and not according to intentions but results, and how they affect the social feeling of the people. Are these grievances to the point here? Or does the author think that the actions of the Cabinet of Ministers are irreproachable?

And from the same series of letters: "IZVESTIYA should have one position—that which is held by the USSR Supreme Soviet. Anyone who does not agree should leave" (V. Berezin, Voronezh). "Yes, each person has a right to his own opinion, but it should be expressed in one's own newspaper, and not in an organ of the Supreme Soviet" (I.Balakhovskiy, Moscow).

IZVESTIYA is not an organ of the USSR Supreme Soviet. It is a newspaper of the soviets of people's deputies. At all levels. And the position of many of them (Russia, Armenia, Moldova, Kazakhstan, Moscow, Leningrad, Sverdlovsk) do not by far always coincide with what is said at meetings in the Kremlin. Well, are their voices not heard? Can it not be seen how the political map of the country has changed and continues to change rapidly? Take just the last elections. Or does one shut one's eyes to these gigantic moves forward in society's frame of mind? I think that the kind of newspaper that is divorced from reality and that echoes the parliament in everything is of no use to it. We will not discover anything new. The entire civilized world came to this long ago.

It is in the self-dependence and the independence of the opinions of IZVESTIYA that the readers see its merit. "Only do not turn into an organ for pleasing the authorities," Muscovite M. Nazimov warns us. "If a newspaper is liked by many, many readers then, naturally, it cannot please official circles in everything. This now, it seems, is a classic of our socialist existence, and we have gotten accustomed to it," officer M. Borisov from Voronezh reassures us. Of course, this is a bitter assurance. And the desire to "preserve" IZVESTIYA as it is, is not easy.

KOMMUNIST No 10 Contents Reported

914B0216A Moscow PRAVDA in Russian
3 Jul 91 Second Edition p 3

[Unattributed article: "Latest Issue of KOMMUNIST"]

[Text] The editorial commentary which opened the tenth issue of the journal is dedicated to a most critical problem of our being—the interrelationship between ideology and politics. Constructive activity must be based not on a trust in miraculous prescriptions and ideological incantations, the commentary asserts, but rather in the study and utilization of real opportunities. Soviet economics is being swamped with waves of economic innovation. This has prompted V. Dementyev to pose the question that appears in the title of his article—"Common Sense or an Impetuous Changing of Prescriptions?" The state of power energy, assessments of which include the alarming word "crisis," and problems in seeking a unified energy strategy for the country are discussed in articles by A. Sheyndlin, and by M. Ksenofontov and A. Nekrasov.

The essence of exploitation is analyzed in an article by V. Inozemtsev. Two items continue study of the problem. In them, L. Gordon and E. Klopov on the one hand, and

A. Ulyukayev on the other, ponder the reasons and social significance of the workers movement of our time.

Are total state control over production and distribution, planning, and labor obligation inventions of the Bolsheviks? Economist V. Mau answers this question. British scholar S. Rankin presents a model he developed of an economically effective "competitive socialism" for the reader's judgment. Yu. Krasnov acquaints the reader with changes in the spectrum of political forces of the East European countries.

TASS Reviews 10 July Press

LD1007062491 Moscow TASS in English 0616 GMT 10 Jul 91

["Press Review"—TASS headline]

[Text] Moscow July 10 TASS—The principal topic in today's newspapers is the continuation and completion of the official visit to the Soviet Union by Spanish Prime Minister Felipe Gonzalez who left Moscow on Tuesday.

Gonzalez and Soviet President Mikhail Gorbachev signed a treaty of friendship and cooperation between the USSR and Spain, had intensive talks on matters concerning bilateral relations and international life, exchanged views on the development of domestic transformations in the two countries, and analysed all-European processes under the new conditions, PRAVDA and SOVETSKAYA ROSSIYA report.

Four other bilateral documents were signed during the visit, including agreements on cooperation in defence industry conversion, on youth exchanges, and cooperation in the field of the environment.

The concluding round of Soviet-Spanish high-level talks on Tuesday was followed by a joint news conference of Mikhail Gorbachev and Felipe Gonzalez.

The two leaders expressed satisfaction with the level of the political dialogue in recent years. At the same time they stated that the two countries have considerable potential for the development of economic, scientific, technical and cultural cooperation and expressed a desire to promote wider contacts in these fields.

Gorbachev and Gonzalez then answered journalists' questions. The full text of the "joint news conference" has been published in PRAVDA.

PRAVDA carries an account of a meeting between Gonzalez and the Soviet Prime Minister Valentin Pavlov on Monday. They discussed problems of economic cooperation between the two countries.

SOVETSKAYA ROSSIYA and PRAVDA reported a meeting between Gonzalez and Russia's President-Elect Boris Yeltsin. They focussed on matters concerning the development of all-round relations between the Soviet Union's largest republic and Spain.

President Gorbachev on Monday received Mario Conde, a prominent representative of the Spanish financial community, who was in Moscow in connection with the Soviet-Spanish high-level meeting. Matters concerning business cooperation between the Soviet Union and Spain, including that on a long-term basis, were discussed in detail during the meeting.

TRUD, PRAVDA, SOVETSKAYA ROSSIYA and SELSKAYA ZHIZN (RURAL LIFE) carry an account of the meeting between the president of the USSR and the leaders of the nine union republics at the Novo-Ogaryovo. The meeting dealt with the president's forthcoming trip to London to meet the Group of Seven (G-7) leaders.

The newspapers report that Gorbachev informed the participants in the meeting in detail of the tasks that will face him in London and received support from the republics' representatives.

Under the headline "The President is Backed by Our Accord", the newspapers carry a detailed report on the meeting. The headline quotes Boris Yeltsin as summarising the general opinion of participants in the regular meeting at Novo-Ogaryovo.

The current state of affairs within the Soviet Communist Party (CPSU), prospects for restructuring within the party and its relationships with new democratic movement are the subject of an interview with CPSU Deputy Chief Vladimir Ivashko. The interview is published in PRAVDA, SOVETSKAYA ROSSIYA and SELSKAYA ZHIZN.

RABOCHAYA TRIBUNA runs the text of a statement in support of the "Movement for Democratic Reforms". The statement is signed by a large group of USSR people's deputies.

Under the headline "George Bush Favours Continuation of Cooperation" PRAVDA carries a detailed summary of the U.S. President's interview with a group of journalists, among them PRAVDA's Washington correspondent Vitaliy Gan.

The U.S. President emphasised in particular that Mikhail Gorbachev's arrival in London would be the culmination of discussions there.

Bush also dwelt in detail on the agenda of the forthcoming G-7 summit in London, Soviet-U.S. Relations and their prospects, and made an evaluation of the international situation and possible ways to resolve the most acute international problems.

Economic

Deputies, Economic Leaders Back Reform Movement

PM0907165791 Moscow IZVESTIYA in Russian 10 Jul 91 2Union Edition p 2

["Statement in Support of the 'Movement for Democratic Reforms'"—IZVESTIYA headline]

[Text] Recently our economy has increasingly become hostage to the political confrontation between various extremist forces in society and the conflicts between the center and the republics. The mutual recriminations are not giving way to accord and compromise on vitally important questions on whose solution the level of production, the people's well-being, and the fate of the reforms begun in the country depend most directly. Without those things we cannot embark on the road leading to society's prosperity and providing access to the achievements of world civilization.

The transition from the command economy to a market economy is an unprecedentedly complex task. It will take a long time and will objectively involve great trials. Meanwhile, these trials are being considerably aggravated by the lack of resolute and coordinated actions from all the democratic forces of the country as well as by the resistance of those who are dragging us back and refuse to understand the historical inevitability of the transformations that are being implemented.

We are deeply convinced that the transition to the market economy is the only right way out of the crisis. We simply have no other path. It is necessary to open the way to the enterprise, business initiative, and creativity of ordinary people without delay, give enterprises real freedom, and ensure in practice a diversity and equality of all forms of ownership. At the same time it is necessary to create an effective mechanism of social protection for all categories of citizens and show special concern for working people. We consider it exceptionally important to preserve and develop those democratic gains brought by perestroyka and guaranteed by economic reforms. But progress along this path needs political stability. Extremism both from the right and the left is today making the political polarization of society increasingly dangerous not only for the reforms but also for civil peace.

In view of all that, the need is felt especially keenly today for the unification of all people of good will and common sense and the representatives of the various parties and social movements which champion democracy and the switch to the market economy on a broad, centrist political platform. As we understand it, the Movement for Democratic Reforms actually corresponds to these aims. That is why we support it and are ready to make our contribution to the success of the cause for which this movement is being created.

As people of action we urge that the ideas of the new movement be immediately reinforced by practical deeds.

[Signed] People's Deputies of the USSR and the Union Republics:

N.I. Bekh, M.L. Bronshteyn, P.G. Bunich, Ye.P. Velikhov, A.P. Vladislavlev, V.M. Vologzhin, V.V. Kadannikov, V.I. Kisin, M.F. Lavrinovich, A.K. Orlov, A.V. Reshetnikov, I.S. Seleznev, V.I. Tatarchuk, V.A. Tikhonov, and V.N. Churkin;

Leaders of unions, associations, amalgamations, enterprises, and organizations:

I.G. Artyukh, Ye.A. Brakov, G.S. Golovachev, P.T. Drachev, I.Ya. Kremenetskiy, N.A. Kutsyn, N.V. Mikhaylov, V.B. Nosov, Ye.V. Pasenko, V.A. Polshin, S.I. Radautsan, P.N. Skrinskiy, V.P. Solodkiy, Ye.A. Solomakhin, Yu.A. Trushin, G.S. Khizha, and V.M. Yakovlev.

Higher Prices Fail To Improve Supply of Goods

PM1007084791 Moscow PRAVDA in Russian 1 Jul 91 Second Edition p 1

[Gennadiy Yastrebtsov article under the "Topical Subject" rubric: "'Discrepancy' of 300 Billion Rubles. Why Is It Beyond Us to Supply Enough Goods, Even After Raising Prices?"]

[Text] I shall not be saying anything new when I remark on a fact of our life today: The stores are still empty, even after the April price increases. We may not have been promised normalization of the consumer market, but we were promised fewer shortages of foodstuffs and consumer goods. For the moment, however, according to the USSR Ministry of Trade, "the sale of bread, bakery goods, confectionery, some fish products, and certain types of clothing and ordinary household goods has largely been normalized.... In the food market in most regions of the country, the sale of basic foodstuffs is still being conducted on the basis of various forms of rationing (coupons, ration cards, orders, and so forth)."

In other words, you and I are still standing in queues and, despite the higher prices, still cannot buy what we want. The arguments used by manufacturing and trading bodies—namely, that the process of saturating the market with consumer goods is being hampered by the breakdown of economic ties, failure to fulfill interrepublic delivery contracts and economic agreements, and so forth—offer very poor consolation. There are catastrophic shortages of consumer goods and, on the other hand, an abundance of slogans about political freedom and economic independence for the regions.

I do not want to tire readers with masses of figures, but I feel I must quote some statistics nevertheless. So far this year, Moscow has failed to receive 54,000 tonnes of meat products and 250,000 tonnes of dairy products; Leningrad—8,000 and 150,000 tonnes respectively; Central Asia—31,000 and 20,000 tonnes; and the Transcaucasus—6,000 and 120,000 tonnes. Why? Because the Ukraine, Belorussia, Kazakhstan, the Baltic republics, Moldova, and Kyrgyzstan have failed to fulfill their obligations for deliveries to all-Union stocks.

If we take clothing and footwear as an example, in the first five months of this year interrepublic supply plans were "met" by a mere 59-78 percent across the country as a whole. The situation with other categories of goods is no better. Enterprises in Russia, the Ukraine, Lithuania, and Moldova have cut deliveries of television sets to

other republics by more than 50 percent; of tape recorders—by 40 percent; of china and glazed pottery ware—by almost 20 percent; and of furniture—by one-half.

In other words, we are seeing a familiar picture: Various regions are trying to salvage the situation by cutting back deliveries and redistributing and sharing out what they have, rather than by increasing output of all the things people need. But, goodness knows, this path leads nowhere and will do no one any good. In exactly the same way, changing the level of prices cannot in itself be a means of rapidly filling the market. Indeed, it has not been—as we can all see for ourselves. Moreover, according to the USSR State Committee for Statistics, in April-May the process of declining output for most goods had clearly intensified in comparison with the same period last year. This is an extremely worrying symptom. In January-May, the trade network received fewer goods than in the same period last year: Delivereies were worth 18.5 billion rubles [R] in comparable prices. In May alone, we suffered a shortfall of foodstuffs worth R4.3 billion and of nonfood goods worth R1.7 billion. If you consider that the purchase of imported goods has fallen by R12 billion, it becomes clear that the empty shelves in the stores have nothing to do with intrigues by the "partocracy" which has relinquished power.

Where does the answer lie? What must be done to finally "soak up" the money that is earned? The USSR Cabinet of Ministers has given the USSR Ministry of Trade the right to obtain targeted commercial credit worth 2 billion convertible rubles. That is roughly equivalent to 3 billion dollars. Together with the USSR Ministry of Foreign Economic Relations and the USSR Bank for Foreign Economic Activity, it has held talks with foreign firms and has signed contracts to supply the Soviet Union with basic foodstuffs and nonfood goods worth $1.9 billion this year. But I think this is nowhere near being a panacea for all our ills. Analysis of data on industrial performance and the state of imports leaves no room for cheerful hopes. In the next six months—and in the year as a whole—the situation is going to be worse than it was in 1990. Even according to official forecasts, the situation developing with commodity resources and prices makes it possible to predict that retail trade will total no more than R800-850 billion this year. This volume of trade will certainly not ensure balance with the population's anticipated monetary income. There will be a "discrepancy" of approximately R80-130 billion but, if you take previously unsatisfied demand into account, it will total more than R300 billion.

The following conclusion can be drawn from all this: Until there is lasting political accord between the republics and the center and efficient collaboration between all economic structures, the national economy cannot be extricated from crisis. Only increased output and a market saturated with goods can strengthen the ruble, ease social tension in society, and give us all a chance to live a better life.

Shadow Economy Turnover 'Up to R130 Billion'

LD0907152191 Moscow All-Union Radio Mayak Network in Russian 150 GMT 9 Jul 91

[Text] Organized crime is now the greatest danger for our already sick economy. This idea was expressed today at a briefing in the USSR Ministry of Foreign Affairs. We have already reported this in our Panorama, but let's add some extra details.

According to expert estimates, the annual turnover of the shadow economy can be put at up to 130 billion rubles [R]. In the next few years this figure could rise to R200 billion; the economic mafia would then control 30-40 percent of the country's gross national product. Interregional organized crime directorates have been formed to combat this onslaught. These are functioning in 10 republics. Pooling the efforts of the republican law enforcement bodies with a coordinating center in Moscow has no political tone, the briefing stressed.

Estonia

Explosion Damages Tallinn Government Building

LD0907222591 Moscow Radio Rossii Network in Russian 2053 GMT 9 Jul 91

[Text] We have just received an urgent report by telephone from our Tallinn correspondent Vladimir Kovalevskiy. Just after 2200, that is, about an hour and a half ago, there was an explosion in the building of the Estonian State Price Department. The fire that followed the explosion caused considerable damage to the building. Half of the two floors burned. Furniture and, more importantly, some of the department's documents were destroyed in the fire. A guard from the Kodukaitse, the Estonian service for defending the country, was injured.

An investigation has not yet begun and it is premature to talk about the cause of the explosion. An Estonian government representative who is there was also unable to make any assumptions on the subject. The only curious coincidence so far is the fact that the explosion occurred precisely during the evening ritual of lowering the state flag of Estonia over Tallinn.

One Reported Injured

LD1007082291 Moscow TASS in English 0815 GMT 10 Jul 91

[By TASS correspondents Albert Maloveryan and Aleksandr Kharchenko]

[Text] Tallinn July 10 TASS—An explosion ripped through a building near the Toompea Castle, which houses the Estonian Supreme Soviet and the government, late on July 9.

The building houses the price department and the headquarters of government guards, called "Kodukaitse". One man received light bodily injuries. An investigation is under way.

Free Market Food Prices To Aid Producers

PM0907152591 Moscow Central Television First Program Network in Russian 1800 GMT 1 Jul 91

[From the "Vremya" newscast: Report by Heimar Lenk, identified by caption, from Tallinn]

[Text] Free market prices for meat and dairy products are in operation in Estonia as of today.

[Lenk] I cannot tell you exactly how much prices have risen today in Estonia because, according to the laws of the market, prices may differ from store to store. The average price for a kilogram of butter in Estonia, however, is now about 25 rubles [R], around R20 for a kilogram of boiled sausage, 50 kopeks for an egg, and so forth.

This radical and, of course, far from popular step on the part of the government has been undertaken with a specific aim: to help the agricultural producer. The point is that when farms and farm workers were getting R5 for selling a kilogram of butter to the state, while prices for mixed feeds, fertilizers, engine fuel, and agricultural machinery were constantly rising, the agricultural producers had no incentive at all to take on this hard job. During the first half of the year, for example, Tallinn stores received only just over half the quantities of meat and meat products they received over the same period last year. Now, when peasants or farmers themselves can negotiate the price for their produce directly with the meat combine or a store, we can expect a wider selection of goods in the stores. The future will tell whether or not our expectations will be vindicated.

In any event, a serious and very difficult step toward the free market has been taken in Estonia. Only now is it becoming clear what a high price we are must pay for decades of collective farming mismanagement in the Estonian countryside, the same countryside which half a century ago was successfully exporting surplus produce to Europe.

Delegation Signs Protocols During Siberia Tour

OW1007045091 Moscow BALTFAX in English 1500 GMT 9 Jul 91

[Transmitted via KYODO]

[Text] As BF [BALTFAX] reported earlier, an official Estonian delegation headed by Prime Minister Edgar Savisaar has signed a number of documents during its visit to Irkutsk.

Among them the communique "On the meeting of Estonia's governmental delegation with leaders of Irkutsk regional Soviet of people's deputies".

The communique stresses the importance of implementing all agreements on economic and cultural cooperation signed by the Russian Federation and Estonia. The election of Boris Yeltsin as the Russian president has become a serious guarantee of pursuing democratic reforms in the Russian Federation and establishing neighbourly relations with Estonia, the document points out. In this connection it stresses the necessity to ratify as soon as possible the treaty about the basis of interstate relations between RSFSR and Estonia signed in Moscow January 12 and already ratified by Estonia.

Another document signed in Irkutsk was the protocol on economic cooperation between the Irkutsk region and Estonia for 1992. It envisages the establishment of economic ties on the basis of equivalent mutual deliveries of goods at world prices.

The protocol indicates the list of most important products to be delivered by the Irkutsk region to Estonia and vice versa.

Also, the protocol on cooperation between the "Memorial" association's local branch in Irkutsk and the Estonian association "Memento" has been signed.

Latvia

Customs Chief Terms Baltic Merger 'Utopia'

OW1007001591 Moscow BALTFAX in English 1815 GMT 8 Jul 91

[Transmitted via KYODO]

[Text] Director of the Latvian Customs Department Aivars Salins said that a plan to create a common customs service of Latvia, Estonia, and Lithuania to monitor the three republics common border was only feasible immediately after they had proclaimed independence. It is too late today as each republic has its own price and tax policy and the gap continues to widen especially as Estonia has liberalised food prices, said Salins to BALTFAX. He noted that Latvia has to toughen customs regime on its border with Estonia.

"Today a customs union and the removal of the customs border between the three Baltic republics is a Utopia," said the top executive of the Latvian customs service.

Salins said that, according to him, the Latvian customs house has proved itself as a system controlling economid ties and protecting the domestic market.

He also subcribed to Latvian Premier Ivars Godmanis' opinion that customs officers should not be armed. "We don't need weapons at customs houses as their use will inevitably lead to the escalation of violence. We are a civilian institution with purely economic functions, and I oppose all these protection tricks being played with us," he said.

Official Views Republic's 'Defensive' Concept

PM1007074391 Moscow IZVESTIYA in Russian 2 Jul 91 Union Edition p 2

[Irina Litvinova report under the "Direct Link" rubric: "Ready To Offer Resistance"]

[Text] Riga—At a news conference in the Latvian Supreme Soviet Talavs Jundzis, chairman of the Commission for Defense and Internal Affairs, briefed journalists on the Latvian Republic's "defensive" concept.

The border service will be strengthened. A special section has been set up for this in the public security department. T. Jundzis said border guards are needed to support the customs service. The border service will increase its activities on the basis of the Law on Border Protection, adopted last year.

An important place has been allocated to the implementation of the recently adopted Law on the Home Guard. Members of the Home Guard (mainly rural inhabitants) must be trained.

Jundzis told journalists with satisfaction that the draft into the Soviet Army has been wrecked through the joint efforts of legislators and the public in the republic.

Instead of the Law on Alternative Service, the parliament has adopted the Law on State Service, which is an indulgence for deserters and encourages youths evading compulsory military service.

The Baltic Transport Prosecutor's Office will evidently be outlawed after the parliamentary vacation, T. Jundzis said.

According to T. Jundzis, the government is strong enough to offer armed resistance to what it sees as the illegal actions of the OMON [Special Purpose Militia Detachment]. The recently formed Internal Affairs Ministry battalions, which have taken an oath of loyalty to the Latvian Republic, and also the staff of the government security service were named above all. "Our people are better trained than the OMON, albeit less well armed."

Concerning armament prospects, T. Jundzis said that both the delivery of weapons to Latvia and their production on the spot are possible in time. But first, it will be necessary to explain to world public opinion why Latvia needs weapons, and then it will be possible to resolve the question technically.

Movement Leader Urges Parliamentary Action

OW1007041591 Moscow BALTFAX in English 1500 GMT 9 Jul 91

[Transmitted via KYODO]

[Text] In an interview with the newspaper "DIENA" Deputy Chairman of the Latvian National Independence Movement and member of parliament Einas Cilinskis said that the Movement considers it very important to put pressure on the Supreme Council to have the draft laws on restoration of Latvian citizenship and compiling of a list of Latvian citizens passed already this year.

In his opinion, the decision to grant the Soviet citizenship to all citizens of the Latvian Republic in 1940 should be canceled, the Latvian citizenship suspended and a list of latvian citizens drawn up.

Mr. Cilinskis believes the above mentioned draft laws should be passed this year before parliamentary elections. Otherwise, all residents of Latvia would be able to take part in the elections which is not in the interests of the Movement.

Lithuania

Talks Official Accuses Moscow of Delay

LD1007034191 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 9 Jul 91

[Text] Aleksandras Abisala, a minister of the Republic of Lithuania and coordinator of negotiations with the

Soviet Union, has asserted that in spite of efforts by Vilnius, interstate negotiations with the Kremlin are not in progress.

In an interview with the LIETUVOS AIDAS newspaper, the minister does not conceal his belief that the Soviet Union, which delayed the formation of groups of experts, is at present directing them to discuss only routine matters, and never to discuss any prospects for interstate relations.

As is known, the Kremlin designated a leader for the negotiating group only on 15 June. Justice Minister Sergey Lushchikov was chosen. Moreover, it took another 15 days before Vilnius—after continuous efforts—was provided with a list of Soviet experts and their leaders.

In the meantime, Lithuania had named, back in April, the list of the groups of experts it had compiled in the fall of the previous year.

The coordinator of Lithuania's negotiation delegation, Aleksandras Abisala, accuses the Kremlin's representatives of dragging out the dialogue, based on the meetings of several groups of experts—there have been two in the last 10 days—in Vilnius and Moscow.

There was a meeting of the Army and Defense Force in Vilnius at the end of June. However, neither the leader of the Soviet experts nor his deputy attended. Basically, that was a Defense Ministry group rather than a negotiation delegation group and, according to Minister Abisala, they had no authority to conduct genuine negotiations. Only questions of concern to the Soviet Army in Lithuania were discussed at the meeting: social, maintenance, soldier callup, and so on.

Last Thursday a meeting was held in Moscow of the other expert group: borders and state security. Only some KGB officials represented the Soviet side, who, according to Aleksandras Abisala, were even more categorical than the military in their refusal to discuss interstate relations.

The coordinator of Lithuania's negotiators told LIETUVOS AIDAS that the Kremlin, in contrast with Vilnius, only wishes to demonstrate negotiations and not to [passage indistinct].

At every meeting the Lithuanian delegation has demanded—and the Soviet side has promised several times—that the USSR vacate Lithuania's buildings, disarm the Black Berets, and provide guarantees that the Soviet Army will not interfere in Lithuania's affairs. To date, Moscow has not fulfilled a single one of these promises.

Aleksandras Abisala thinks it is necessary to continue all [words indistinct] with the Soviet Union toward specific meetings, to set forth proposals and various projects in demanding that the Soviet delegation will be accorded authorizations to negotiate toward [word indistinct] interstate relations.

According to the Lithuanian negotiators' coordinator, "Western political assistance would have considerable impact on a successful dialogue. It is imperative to have the possibility of providing financial support to the Soviet Union strictly tied to the specific steps in negotiations with Lithuania," notes Minister Aleksandras Abisala in the LIETUVOS AIDAS newspaper.

Pessimism Expressed

OW1007045191 Moscow BALTFAX in English 1830 GMT 9 Jul 91

[Transmitted via KYODO]

[Text] Speaking about Lithuania's negotiations with the Soviet Union, the Chairman of the republic's parliament Vytautas Landsbergis declared that "left alone in the face of a powerful partner, who for all intents and purposes is opposed to any negotiations, Lithuania cannot entertain any hopes for a favourable outcome of the talks".

In an interview broadcast on tuesday evening by Russia's television, Mr Landsbergis also said that "we are making progress on a number of issues, but there are no guarantees that violence will no longer be used against us". He pointed out in this connection that the Soviet delegation had refused to enter the provision on the non-use of force into the preliminary protocol of the talks.

Speaking about relations with Soviet president, Mr Landsbergis went on record as saying that "he is somewhat prejudiced" with respect to Lithuania.

On July 9, Mr Landsbergis arrived in Strasbourg where he will attend a Europarliament's meeting at the invitation of the parliamentary group of the People's Party of Europe.

FFL Conference Adopts Provisions on Independence

PM0907111991 Moscow IZVESTIYA in Russian 3 Jul 91 Union Edition p 2

[By Nikolay Lashkevich under the "Direct Line" rubric: "Opposition Joins Ranks"]

[Text] Vilnius—The Forum for the Future of Lithuania [FFL], a bloc of opposition parties, organizations, and movements, held a republic-wide conference.

Participants included representatives of the Lithuanian Democratic Labor Party (the former independent Lithuanian Communist Party), the Confederation of Free Trade Unions, the Journalists and Crop Farmers Unions, some prestigious "Sajudis" leaders—in particular ex-premier K. Prunskiene—and members of the Social Democratic Party, and a number of creative unions and scientific collectives.

The FFL adopted the program's main provisions. These stress the need to build a democratic, independent Lithuania where human rights and freedoms occupy center stage and the state is assigned the role of defender of these rights and freedoms. Particular attention is devoted to relations with the USSR. The FFL stresses the importance of holding real talks with the USSR and creating new equitable interstate relations; The FFL is participating in shaping principled, businesslike, peaceful dialogue and mutually beneficial ties with subjects of the USSR.

The delegates ratified the statutes of the FFL, which is now defined as a "public political movement made up of moderately-minded people of democratic orientation." The FFL's aim is to secure real independence, and anyone who, irrespective of party affiliation, nationality, and religious convictions, advocates a democratic, independent Lithuania can join. A coalition council led by a 27-member presidium forms the FFL's leadership body.

So, henceforth the FFL constitutes an autonomous political association in law.

Fifth Congress of People's Deputies Previewed

LD1007065391 Moscow TASS in English 0052 GMT 10 Jul 91

[By TASS correspondent Lyudmila Alexandrova]

[Text] Moscow July 10 TASS—The Fifth Extraordinary Congress of the People's Deputies of the Russian Federation will open in the Kremlin Palace of Congresses at ten A.M. Here today with a ceremonial session at which Russia's first-ever president Boris Yeltsin will be sworn in.

He was elected to the presidency of the Soviet Union's largest republic during the June 12 direct general elections.

Those present at the ceremonial session are expected to be addressed by President Mikhail Gorbachev and Patriarch Alexey II of Moscow and all Russia. Sergey Filatov, secretary of the Presidium of the Russian Federation Parliament, told TASS.

The ceremony will be followed by a plenary meeting of the congress in the Grand Kremlin Palace. The first item on the agenda of the forum is the election of a chairman of the Russian Federation parliament—the post that has been filled by Yeltsin.

Filatov believes that Ruslan Khasbulatov, the incumbent first deputy chairman of the Russian parliament, is the most likely figure for the post. He received the biggest support at a meeting of the Democratic Russia bloc.

As far as the "Communists of Russia" bloc is concerned, although several candidacies are mentioned, Filatov believes that it has no real chances to elect any of its candidates to the post of the parliament chairman.

A new head of parliament shall submit the candidacies of his deputies to the congress for endorsement.

The second item on the agenda is the endorsement of the law "On the constitutional court of the Russian Federation" and the election of its members.

The parliament-adopted law was not endorsed at the previous congress due to a large number of adjustments introduced by deputies. Neither is it ruled out that deputies will also consider the question of endorsement of the candidacy of a new head of the Russian government. Under the constitution the incumbent prime minister of Russia should resign within ten days.

Many analysts specially note that the Fifth Congress of Russia's People's Deputies begins in an atmosphere of considerable improvement of relationships between Russia and the centre, specifically between the presidents of Russia and the USSR.

Suffice it to recall that the third congress in March this year was almost foiled due to deputies' protests in connection with the decision of the president of the USSR and the central government to block the centre of Moscow, including the Kremlin where the congress was taking place, by reinforced military patrols and hardware to prevent mass demonstrations of democrats.

Gorbachev was not present at the latest congresses of Russia's deputies. Today he must make a speech at the ceremonial session.

In an interview with journalists, Yeltsin stated that he would support Gorbachev's candidacy at the Soviet Union's next presidential elections "provided he goes ahead with the current policy of respect for the sovereignty of republics."

Yeltsin 'Nervous' on Eve of Inauguration

LD0907214491 Moscow Russian Television Network in Russian 2000 GMT 9 Jul 91

[From the "Vesti" newscast]

[Text] The registration of delegates to the fifth extraordinary Russian congress, which opens tomorrow, ended in the Kremlin today. Tomorrow, at the congress' solemn sitting—which, incidentally, will not take place in the Grand Kremlin Palace, where Russian deputies feel at home, but in the Palace of Congresses—a head of state elected by the people for the first time in the 1,000-year long Russian history will take the oath and assume his office. A huge number of guests and journalists is expected to attend the ceremony. It is worth mentioning that leaders of the Baltic republics will also attend; they have arrived in Moscow for this purpose.

What does Boris Yeltsin himself feel on the eve of assuming office? The Vesti correspondent asked him this question today.

[Begin Yeltsin recording] I am already very nervous, all day, but I think everybody would understand this, because the president's first day after the oath will start tomorrow. The count will start, and then journalists will ask after 100 days what has been done over 100 days. The main thing is that very vigorous work will start. I have said that a decree on national education and higher education will be one of the first. I am not saying what the first one will be precisely. It seems there will be a decree on property in Russia. That is, we have to define once and for all what is Russia's territory. After all, we are not going to haggle with the Union any longer. [end recording] [video shows Yeltsin surrounded by reporters]

Congress of Peoples Deputies Opens 10 July

LD1007073591

[Editorial Report] Moscow Russian Television Network in Russian at 0655 GMT on 10 July begins to carry live in network with Moscow Central Television First Program Network in Russian the opening of the Fifth Russian Soviet Federated Socialist Republic [RSFSR] Congress of People's Deputies at the Kremlin in Moscow.

At 0655 GMT the video shows the captions "Fifth Extraordinary Congress of RSFSR People's Deputies" and "President of Russia takes office."

At 0656 GMT the video shows the Kremlin Palace of Congresses, with the audience taking their seats. The Russian flag and map are displayed on the curtain. The announcer says the inauguration of the RSFSR president is about to take place.

At 0701 GMT RSFSR Supreme Sovet Deputy Chairman Khasbulatov appears on the platform and reads a speech noting that this is an historic date. Here, in the historic center of the Russian state, he says, the residence of the Russian president is to be located.

At 0702 GMT Khasbulatov welcomes USSR President Gorbachev, as well as USSR Supreme Soviet Chairman Lukyanov, USSR Prime Minister Pavlov, and other dignitaries from the Union and Russia as well as representatives of public organizations and religious leaders, including Aleksey II.

At 0704 GMT the floor is given to RSFSR People's Deputy (?Bashilashvili). (?Bashilashvili) muses on the history of Russian statehood, focusing on the contributions of Peter the Great and Catherine the Great to establishing civil rights and freedoms.

At 0706 GMT the camera focuses on Yelstin seated in the front row of the hall, as (?Bashilashvili) speaks of the development of Russian industry, literature and culture. He discusses the emergence of political consciousness and then moves to 1985 and the changes in the country that followed that year.

At 0710 GMT he says that the First Congress of Russian People's Deputies declared statehood, then 12 June 1991 saw the election of the first Russian president in history, Boris Nikolayevich Yeltsin. Authority is now accountable to the people.

At 0711 GMT Khasbulatov announces that Yeltsin will take his presidential oath. Yeltsin takes the rostrum, places his right hand on his heart and reads the oath of office. He says: "Citizens of the Russian Federation! I swear, in carrying out the powers of president of the Russian Soviet Federative Socialist Republic, to observe the Constitution and laws of the RSFSR, to defend its sovereignty, to defend the liberties and rights of the individual and of the citizen, the rights of the peoples of the RSFSR, and to conscientiously carry out the obligations laid on me by the people." Applause is followed by the Russian national anthem.

At 0716 GMT Russian Patriarch Aleksey II is called on to address the gathering. He says that in these first moments of the Russian presidency he feels it is his duty to remind Yeltsin of the burden he is assuming. He is inheriting a sick society, born in part of Communist ideas of creating an ideal society through manipulation. Despite the evils, we have retained our faith and human goodness, our Russian heart. You bear responsibility not only before the people but before God, too, and we hope that the new president of Russia will also oversee the rebirth of the church, in the first place by returning the town of Zagorsk to the church and restoring its proper name to the city of Peter.

At 0723 GMT Aleksey reads an address on behalf of the heads of all the religious denominatiions represented in the hall, observing that Russia is in effect a whole continent of many peoples and religions, and hoping that the president will serve all their needs, and congratulating him on his assumption of office. Yeltsin is seen standing throughout the speech. After applause, Yeltsin and Aleksey face one another and shake hands. Aleksey raises a hand in blessing.

At 0727 GMT Khasbulatov calls on Yeltsin to speak. Yeltsin begins by saying that there is no higher responsibility. Regrettably, we have come later than most civilized countries to the realization of our duty to our citizens, by way of other social experiments. The people of Russia have eventually made their choice, not only of a person but of a course of democracy and human honesty.

Yeltsin noetd: "We have had to pay a colossal unprecedented price for our experience that we have today. That is why the transition to the presidential system in the Russian Federation is, for all of us, filled with a special meaning. The time when people used to be silent is becoming a thing of the past, never to return again."

At 0730 GMT Yeltsin continues, saying: The president is not God, not a new monarch, he is a citizen on whom the highest responsibility is placed. Resolve to take justified risks is essential for success. We have to go for radical reform, democratic transformations. Blind obedience to orders from above is not the way. We have to free our people from enslavement through freeing their spirit.

On the topic of reform, Yeltsin adds: "Reforms in society always occur in difficult times. Changes do not come about easily. What is particularly important at this time is the support and understanding of the people, our common confidence in our strengths. Our country's experience and that of the world bear out that failure is inevitable when there is insufficient determination to act, to embark on a justified risk, when one restricts oneself to half measures and stops halfway. Life itself has proven that such an approach is unacceptable today."

At 0732 GMT Yeltsin continues his speech, saying that Russia will play its part with other republics in creating a new union. We will establish civilized relations with other states in the world, through the observance of universal human values.

At 0734 GMT Yeltsin concludes his speech by saying: "I view the future with optimism and am prepared for energetic activity. I count on the suport of the people's deputies, the Supreme Soviet, the Council of Ministers, my own supporters and, of course, Aleksandr Vladimirovich Rutskoy, first vice president of Russia.

"Great Russia is rising from her knees. We will without fail transform her into a prosperous, democratic, peace-loving, rule of law, and sovereign state. The task, which entails a great deal of work for us all, has already begun.

"Having gone through so many trials, with a clear idea of our aims, we can be firmly confident: Russia will be reborn."

At 0738 GMT Khasbulatov calls on Gorbachev to speak.

Congratulating Yeltsin, Gorbachev says: "Some people may wonder what is so special about this. The country has one more president. I adhere to another view. An event took place which is of importance not only to Russia, but, taking account of its role and responsibility within the Soviet Union, to the whole of our multinational homeland. I congratulate Boris Nikolayevich Yeltsin on his election to the post of president of the republic and on the commencement of a new stage in his political and state activity." Applause follows.

At 0739 GMT Gorbachev moves on to the negative effects in recent times of the "war of laws" and voices the confidence that the people will benefit from the new president's activity. He says that a desire for consensus is arising all over Russia to assist the process of renewal of the Russian Federation.

Calling for a renewed multinational state, Gorbachev says: "As president of the country I am in favor of a democratic, strong, united, modern Russian Federation. Such a Russia is necessary for the people living on her territory. Without such a Russia the renewal of our Union's multinational state will simply not occur. I am deeply convinced that the interests of the people of the Russian Federation, as of all the republics united in our Union, are served not by everyone dispersing to their corners, not by self-isolation, but on the contrary, by cooperation and consensus in a renewed multinational state. This will be served by the conclusion of a new Union treaty."

At 0748 GMT Gorbachev concludes by saying: "Dear comrades, we all bear tremendous responsibility for the fate of the Union. People on all the continents puruse with huge interest what we are all doing and wish success, wish success to the course of reform." During the previous there is some rumbling in the hall.

Yeltsin comes forward. All stand. Gorbachev and Yeltsin shake hands and descend from platform to seats in the front row of the hall.

At 0749 GMT Khasbulatov announces that the congress will resume at 0900 GMT.

Swearing In Ceremony Noted

LD1007080891 Moscow TASS in English 0754 GMT 10 Jul 91

[By TASS parliamentary corespondent Lyudmila Aleksandrova]

[Text] Moscow July 10 TASS—Russia's first president Boris Yeltsin, in accordance with the republic's constitution, was sworn in at a ceremonial session at the extraordinary fifth Congress of the People's Deputies of the Russian Federation in the Kremlin today.

"During the exercise of the powers of the president of the Russian Soviet Federative Socialist Republic, I vow to observe the constitution and laws of the Russian Federation, uphold its sovereignty, respect and safeguard the rights and freedoms of the individual and citizen, the rights of the peoples of the Russian Federation and perform in good faith the duties entrusted to me by the people," he said in an oath of office.

From that moment Yeltsin, who had been elected Russia's president on June 12, this year, entered upon his duties.

The flag of the Russian Federation was hoisted above the Kremlin residence of the president of Russia during the swearing-in ceremony.

Yeltsin Gives Speech

LD1007100691 Moscow Russian Television Network in Russian 0727 GMT 10 Jul 91

[Speech by Boris Nikolayevich Yeltsin, newly inaugurated first president of the Russian Soviet Federated Socialist Republic (RSFSR) at the opening of the Fifth RSFSR Congress of People's Deputies at the Kremlin in Moscow on 10 July—live]

[Text] Esteemed citizens of Russia! Peoples deputies! Fellow countrymen and respected guests! Words cannot convey the feelings I am experiencing at this minute. For the first time in the thousand-year history of Russia, a president is being solemnly sworn in before his fellow citizens. There is no higher honor than that which is bestowed on someone by the people. There is no higher duty that the citizens of a state can elect one to. For centuries in our country power and the people have been at different poles. Finding no truth in life, people have tried to find it in the heavens or in dreams of a bright future. For centuries the interests of the state have, as a rule, been put above those of the individual, his needs, and aspirations. We have, regrettably, come later than other civilized peoples to the realization that the state's strength lies in the well-being of its citizens. Negation of this sacred principle laid to ruin the greatest empires of the past. Neglect of it has predetermined the tragic close of grandiose social experiemnts. Fate has seen to it that the people of Russia, and other republics, too, have had to pass through great trials. We have had to pay a colossal, unprecedented price for our experience that we have today. That is why the transition to the presidential system in the Russian Federation is, for all of us, filled with a special meaning. The time when the people used to be silent is becoming a thing of the past, never to return again. Precisely one year after the adoption of the

declaration of state sovereignty, for the first time in our native history, the citizens of Russia have made their choice.

They have chosen not only an individual, not only a president, but, above all, the path our homeland is to follow. This is the path of democracy, the path of reforms, the path of revival of human worth. For the first time a new voluntary interdependence is born between the authorities and the people. State authority becomes answerable to the people who elected it, and the people become answerable to the state, which it has placed above itself. The president is neither God, nor a new monarch, nor an omnipotent miracle worker. He is a citizen who bears immense responsibility for the destiny of Russia and his fellow citizens. He is, above all, a person in whom is vested the highest trust of the people.

Reforms in society always occur in difficult times. Changes do not come about easily. What is particularly important at this time is the support and understanding of the people, our common confidence in our strengths. Our country's experience and that of the world bear out that failure is inevitable when there is insufficient determination to act, to embark on a justified risk, when one restricts oneself to half measures and stops halfway. Life itself has proven that such an approach is unacceptable today.

The essence of the presidential line is radical reforms. We have all opted for a peaceful and democratic method of transformations, a method founded in law. The point of our policies is not mass self-sacrifices, but the good and interests of every man. A worthy life does not come as a gift from above, nor does it come by itself. One does not attain it by jumping into line and blindly obeying orders from above. It can be founded only on freedom of enterprise and territory. It is initiative and a spirit of enterprise on the part of citizens that will ensure prosperity for Russian families and provide a source for the revival of the country. In Russia it is man who must become—and I am convinced that he will indeed become—the measures of all things and all actions.

The revival of our state is to be founded on the spiritual emancipation of man, true freedom of conscience, and total rejection of any ideological diktat. A special place in this process belongs to religion. The people of Russia will no longer, in deference to any dogma, reject their past, their present, or their future. I am convinced that the mistaken tradition of dividing ourselves into those who are right and those who are guilty, into those on the same side and those outside, into those with us and those not with us, will pass away.

The Russian Federation also needs radical renewal. At its heart lies the strengthening of sovereignty and the real rights of the people, the republics, and the citizens of all nationalities. Russia will continue, together with the other republics, to take an active part in the most difficult work of radically reforming the Union. I am sure that this work will be completed in a worthy manner. Imperial ambitions are deeply alien to the political course that the people have chosen. We are returning to the world community with pure intentions to find friends and not enemies, to establish honest and civilized relations with the states of the world. The historical experience accumulated by the world community reaffirms again and again that at the heart of progress lies creativity, human principles, freedom, ownership, legality, and openness to the world. The people's support for the candidates of the democratic movement in the elections is the best endorsement of these values in our life that are common to all mankind.

Esteemed fellow citizens! Russia will certainly find a way out of the crisis. The creative potential of the peoples of the republic, of the Russian people, is great. They have endured with pain and honor all of the trials sent to them by destiny. They have managed in the most inhuman conditions to preserve moral feelings and faith in their Russia. The most rich and original Russian culture, the tireless advocate of good, humanism, and justness, is alive. As previously, it aspires to grasp the mystery of the human soul, the link between times and destinies. The main thing is that none of the people of multinational Russia has lost the ability or desire to work and live in peace. They have preserved an aspiration to freedom, justness, and a worthy, better life.

I view the future with optimism and am prepared for energetic activity. I count upon the support of the people's deputies, the Supreme Soviet, the Council of Ministers, my own supporters and, of course, Aleksandr Vladimirovich Rutskoy, first vice president of Russia.

Great Russia is rising from her knees. We will, without fail, transform her into a prosperous, democratic, peace-loving, rule of law, and sovereign state. The task, which entails a great deal of work for us all, has already begun. Having come through so many trials, with a clear idea of our aims, we can be firmly confident: Russia will be reborn! [applause]

Yeltsin Optimistic About Future

LD1007095291 Moscow TASS in English 0935 GMT 10 Jul 91

[By TASS parliamentary correspondent Yuriy Kozmin]

[Text] Moscow July 10 TASS—"The transition to the presidential system in the Russian Federation is full of special meaning for all of us. The days when people kept silent recede into the past never to return," President Boris Yeltsin of the Russian Federation said at an inauguration ceremony in the Kremlin today.

He made a speech at the fifth extraordinary congress of the republic's people's deputies after he had taken an oath of office and ceremonially entered upon his duties.

For the first time in national history, Yeltsin emphasised "the citizens of Russia have made their choice. They chose not only a president but primarily the road for our motherland to take."

Explaining this idea, Yeltsin said that "this is the road of democracy, the road of reforms and of the revival of human dignity." He said the state authorities are accountable to the people who elected them.

"The president is not a god, not a new monarch, not an omnipotent miracle worker. He is a citizen vested with enormous responsibility for the destiny of Russia.

"For centuries, the power and the people were at different poles in our country. The state interest was placed as a rule above the human being, above his or her needs and aspirations," the republican president said. "We came to realise more tardily than other civilised peoples that the state is strong with the well-being of its citizens."

Radical reforms will consitute the essence of the presidential policy, Yeltsin said. "We all have made the choice in favour of a law-governed, democratic method of transformation. The well-being of every person, not a massive self-sacrifice, is the meaning of our policy," he said.

The freedom of businesses and territories, the initiative and resourcefulness of citizens will ensure the well-being of people in Russia and will become the source of the country's revival, the Russian president believes.

"The revival of our state is based on the spiritual emancipation of the human being, genuine freedom of conscience and full renunciation of any ideological diktat. A special place in this process belongs to religion," Yeltsin pointed out.

Touching briefly upon the role of Russia in the renewal of the USSR, Yeltsin said that "Russia together with other republics will continue to participate in the most complex work to transform the Union radically."

"I am confident that the work will be worthily completed," he said. "Imperial ambitions are profoundly alien to the political course that the people have chosen. We return to the world community to establish aboveboard and civilised relations with other countries."

"I look into the future with optimism and I am ready for energetic actions," Yeltsin said in conclusion of his speech.

"Russia is sure to get out of the crisis. The great Russia is rising from its knees. We shall turn it into a prosperous, law-governed, democratic, peaceful and sovereign state without fail," Yeltsin said.

Gorbachev Addresses Congress

LD1007102391 Moscow Russian Television Network in Russian 0738 GMT 10 Jul 91

[Speech by USSR President Mikhail Sergeyevich Gorbachev at the opening of the Russian Soviet Federated Socialist Republic (RSFSR) Fifth Congress of People's Deputies and the inauguration of Russian President Boris Yeltsin in the Kremlin in Moscow on 10 July—live]

[Text] Esteemed Congress of People's Deputies of the Russian Federation! The act, the ceremonial act of the swearing-in of and of the taking up of the post by the first president of the Russian Federation has just taken place. Some people may wonder what is so special about this. The country has one more president. I adhere to another view. An event took place which is of importance not only to Russia, but, taking account of its role and responsibility within the Soviet Union, to all of our multinational homeland. I congratulate Boris Nikolayevich Yeltsin on his election to the post of president of the republic and on the commencement of a new stage in his political and state activity. [applause]

The introduction of the institution of the presidency is the logical results of those democratic transformations which are taking place in the course of perestroyka, of the political and legal reform.

Life itself has led to the conclusion that just as strong and competent an executive power should operate alongside a strong and competent legislative power. It must be acknowledged that we recognized, with a certain delay, when it was discovered that not just the old problems but the new tasks were being resolved slowly or were being put off indefinitely, when, at all levels and everywhere, the party apparatus was released from uncharacteristic functions, we felt the weakness of administration and the disintegration of the executive mechanism. The war of laws had its negative influence upon the situation. In a word, it became clear to all of us that the crisis in which the country found itself threatened to become a drawn out and chronic one unless we got rid of the paralysis of power, unless we brought about efective mutual interaction between the Union and the republics and guaranteed the consistent implementation of the adopted laws.

The first president of the Russian Federation is beginning his activity in a most complex period of the motherland's history. He has to act, to carry out profound reforms of the largest republic.

I want to wish Boris Nikolayevich in the first instance success in practical affairs, which will determine the advancement of the Russian Federtation and all its republics and regions along the path of satisfying the vital requirements of people. It is precisely this, as I understand it, that people expect of the president and all bodies of executive power. In this case I am confident that the president and the executive bodies can count on the support of the working people.

An important lesson can be drawn from recent experience. In the present crisis situation, when a whole set of highly complex problems is being solved, we need as never before the accord of all responsible, patriotically minded people. It is precisely that accord which has found expression in the agreement called Nine plus One. This does not boil down to a particular act or some particular document; it is essentially a matter of a political process that is finding energetic support in society, although let us not conceal that there is a measure of opposition, too. It is taking in ever newer spheres of life of the country. A desire to solve practical tasks and to achieve accord is growing in all regions of Russia. In my opinion, one of the most important concerns of the president of Russia, the Congress of People's Deputies and the Supreme Soviet of the Republic is the speediest possible solution of questions connected with the revival of the Russian Federation. For this means dozens of peoples united in a multinational state, having for centuries built it and defended it from enemies, and seen in it their common fatherland. Today the whole of its territory is literally interwoven with diverse bonds—political, economic, cultural, and simply human. A guarantee of the rebirth of Russia lies in Russians, Bashkirs, Yakus, Kalmyks, Komis, Ossertians and all other peoples who populate it feeling confident and being free to work and to create, to develop their own culture and national traditions to their own and the common benefit.

As president of the country I am in favor of a democratic, strong, united, modern Russian Federation. Such a Russia is necessary for the people living on her territory. Without such a Russia the renewal of our Union's multinational state will simply not occur. I am deeply convinced that the interests of the peoples of the Russian Federation, as of all the republics united in our Union, are served not by everyone dispersing to their corners, not by self-isolation, but on the contrary, by cooperation and consensus in a renewed multinational state. This will be served by the conclusion of a new Union treaty.

It is this that should be served by the conclusion of the new Union treaty. The main lesson from past and recent history is that it is only together, preserving and enriching the permanent values which for centuries have united our peoples, that we can deal with the crisis, and bring to a successful conclusion the democratic transformations that we have started.

I welcome the responsible position of the Congress of People's Deputies and of the Supreme Soviet of the Russian Federation, which have come out firmly in favor of the preservation and renewal of our Union, for turning it into a union of sovereign states, a democratic, federative state. I believe that the highest bodies of legislative and executive power of Russia will take that same position now at the final stage of work on the new Union treaty, now that we are on the point of signing this historic document.

Recently, encouraging signs have appeared that we are leaving behind that most dangerous phenomenon, the war of laws. The Union and republican parliaments, the USSR Cabinet of Ministers and the governments of the republics are ever more successfully gaining skill in working together. It is true that the main things still lie ahead. In general terms, by adopting decisions paving the way toward reforms in property relations, the establishment of the market, guarantees of the rights and interests of citizens, reliable social protection, and the implementation of the declarations of the sovereignty of republics.

Dear comrades, we all bear tremendous responsibility for the fate of the Union. People on all the continents pursue with great interest what we are all doing [slight pause and rumbling from hall] and wish success [more rumbling], wish success to the course of reform. Most importantly, they all have an interest and confirm their position both in our talks and publicly, which is that they welcome the preservation and renewal of our great multinational state, and feel deeply with us our failures and blunders.

We greatly appreciate this solidarity and count on expanding the cooperation that benefits all those involved, and will be in accordance with and contribute to the solution of shared problems.

At the same time, of course we realize that we are the ones first and foremost who need the renewal of Soviet society, and we bear the full responsibility for overcoming the present crisis situation. We now have what is essential for this: the political concept, a program of economic action, the laws and the huge material and spiritual potential, and, what is especially important, increasing popular accord.

Esteemed people's deputies of the Russian Federation! Esteemed President of the Russian Federation! Permit me to wish you success in your work, to the good of the people of Russia, and of the whole Union. You can be sure that in this you will find the support of the president of the country and of the Union organs. My best wishes to the peoples and citizens of Russia. [applause]

Officials View Inauguration, Parliament Election

LD1007112491 Moscow TASS International Service in Russian 0922 GMT 10 Jul 91

[By TASS parliamentary correspondents Yuriy Kozmin and Andrey Surzhanskiy]

[Text] Moscow, 10 Jul (TASS)—Aman Tuleyev, chairman of the Kemerovo (Kuzbass) Soviet of People's Deputies and former rival for the post of first president in the Russian Federation, described the assumption of this post by Boris Yeltsin today as an historic fact.

He stressed in an interview with a TASS correspondent that now, in the wake of the election of the president of the republic, all political forces and social movements should work for the regime. "The main thing at present," Aman Tuleyev thinks, "is unification and consolidation." In his opinion, it is necessary to resolve economic

questions first. "No president will lead Russia out of the crisis if political games begin again," he said.

Rafik Nishanov, chairman of the Chamber of Nationalities of the Union parliament, who was invited to the inauguration ceremony of the first president of the Russian Soviet Federated Socialist Republic [RSFSR], thinks that "today is the embodiment of accord and unity." The elaboration of the Union treaty, of new economic agreements between the republics and also of joint proposals for the forthcoming trip by Mikhail Gorbachev to London for the meeting with the members of G-7 actually are characteristic of such steps of accord, he stated in an interview with a TASS correspondent. Rafik Nishanov expressed the hope that "Boris Yeltsin will work in his new capacity for the sake of unity both inside Russia and in the whole Union."

Following the ceremonial part of the fifth extraordinary RSFSR Congress of People's Deputies, which opened in the Kremlin today, its participants are to elect a new chairman of the Supreme Soviet of the republic.

Sergey Shakhray, chairman of the committee for legislation of the Russian parliament, said in reply to a question by a TASS correspondent on the possible candidates for this post, that "four candidates figure here officially." In his words, Viktor Stepanov, chairman of the Supreme Soviet of Karelia, has been proposed by the Communists of Russia parliamentary group. The Democratic Russia bloc promotes three people for his post—Ruslan Khasbulatov, first deputy head of the parliament; Vladimir Lukin, chairman of the republican Supreme Soviet committee for international affairs and foreign economic ties; and Sergey Shakray himself. According to the forecasts of the latter, the election of the chairman of the RSFSR Supreme Soviet will be postponed until the next congress if the question is not decided in the first round.

Yeltsin News Conference on Treaty, CPSU Split

LD0907140791 Moscow Domestic Service in Russian 1100 GMT 9 Jul 91

["Excerpts" of news conference by Russian President Boris Nikolayevich Yeltsin with Soviet and foreign journalists in Moscow on 9 July following his meeting with Spanish Prime Minister Felipe Gonzales—recorded]

[Text] As you already know, Russian President Boris Yeltsin met Spanish Prime Minister Felipe Gonzalez early this morning. Details from Nikolay Artemyev, our special correspondent:

[Artemyev] The meeting in the white house on the Krasnoprenenskaya Embankment lasted for more than an hour. After the meeting, Boris Nikolayevich Yeltsin answered questions from numerous Soviet and foreign journalists. Evaluating the results of the meeting he said:

[Yeltsin] I evaluate the meeting as one with a very interesting interlocutor, with a very interesting person, who is the head of government, who thinks first and foremost about his people and about their well-being. He also thinks about the future and understands all issues well.

We agreed on direct cooperation. We agreed on Spain sending a group of ministers, leaders, and businessmen. There will be a group from our side as well. They will sit down together and will analyze spheres of joint activity here in Russia and setting up.... [changes thought] Well, in a number of branches of industry, for example, in the processing and storage of agricultural produce and a number of others, this group should analyze the spheres in which there should be direct links between Spain and Russia.

[Artemyev] Of course, we could not help but take advantage of the opportunity to ask questions on other topics as well. In particular, a question was asked about the president's position before the forthcoming trip to London and about yesterday's meeting in Novo-Ogarevo. Answering these questions, Boris Nikolayevich Yeltsin said:

[Yeltsin] Russia also agreed yesterday. I reported to you yesterday in Novo-Ogarevo. We had a quite detailed discussion, lasting over four hours, and we came to a united opinion. The trip to London will be made with this united opinion.

[Unidentified reporter] What is the economic program?

[Yeltsin] Well, it will be a mixed one. It is impossible to deify the program of Yavlinskiy, Allison, and other specialists from the G-7 countries here; but all the same, a part will evidently be taken from it, on the basis of the anticrisis program that the government has.

Perhaps the most important thing is that we have agreed that under no circumstances is Gorbachev going to ask for money. The republics are not asking him and he has not been proposing this. He is going there to make sure that we are understood, to state firmly that the Union and the nine republics will take the path of reform, radical reform, the transition to a market economy, a diversity of forms of ownership, privatization, and so on. In other words, we will take a democratic path. I think this is the most important thing that one would want to hear from him. Perhaps a series of specific programs can be examined. There are six, seven, or eight such programs that could be jointly implemented on the territory of the Union.

The Supreme Soviet of Russia has adopted a decision. The first point states that the signing of the Union treaty is to be agreed. At the same time, I voiced a number of considerations. These considerations were known and have been discussed previously, but we have not yet reached agreement on them at Novo-Ogarevo. Now that all the supreme soviets have examined it, we agreed yesterday that the working group will again sit down in order to bring together all these considerations that the supreme soviets of the republics have voiced. After London, we will gather at Novo-Ogarevo again to discuss

these considerations and to move toward rapprochement, rapprochement, rapprochement. This will probably be between 20 to 30 July. Questions remain over taxes.

[Artemyev] Touching on the matter of relations with republics who are not signing the Union treaty, Boris Yeltsin said:

[Yeltsin] There shoud be no discriminatory measures whatsoever; but, at the same time, since they are not participating in the Union, relations with them will be the same as relations with other states. We favored the economic agreement—being a common one—and it is very likely that they are moving toward this also.

[Artemyev] A question was also asked regarding Boris Yeltsin's feelings on the eve of his inauguration tomorrow as president of the Russian Soviet Federated Socialist Republic. This is what he said.

[Yeltsin] I am already very nervous. I think that this is understandable from a human standpoint, because tomorrow my first day as president will begin after the inauguration. The account will begin. After 100 days journalists will ask what has been done in these 100 days and they will write about it. But this is not, of course, the main thing. The main thing is that extremely urgent work will begin.

[Artemyev] I asked Boris Nikolayevich what his first presidential decree will be.

[Yeltsin] I have said that one of my first decrees will be about people's education in the universities. I am not saying precisely which will be the first. There evidently will be a decree about ownership in Russia. We should draw the line concerning the fact that we will, in the final analysis, no longer trade in Russian territory with the Union.

[Unidentified reporter] Boris Nikolayevich, when will you reveal your position on the candidate for the post of prime minister?

[Yeltsin] No later than tomorrow.

[Artemyev] There was also a question about whether a split in the CPSU is possible.

[Yeltsin] Yes, I think it is. In connection with the democratic movement which has begun, and with the fact that tomorrow there will also be a new party of democrats—Communists in Favor of Democracy—this will be set up. Their congress will be held 23-25 July. A breaking away from the Russian Communist Party and the CPSU is under way.

[Artemyev] In conclusion, journalists asked Boris Nikolayevich Yeltsin about whether the chairman of the Spanish Government invited him to visit Spain.

[Yeltsin] He said that we will meet again.

[Artenev] So, our republic is becoming a member of the international community, enjoying full rights, and one can only rejoice about this.

Yeltsin Discusses Novo-Ogarevo Meeting Results

LD0907105291 Moscow TASS International Service in Russian 1007 GMT 9 Jul 91

[By TASS parliamentary correspondents Yuriy Kozmin and Andrey Surzhanskiy]

[Text] Moscow, 9 Jul (TASS)—President of the Russian Federation Boris Yeltsin has stated that he will support Mikhail Gorbachev at the next USSR presidential elections "on the condition that he continues in his present course of respecting the republics' sovereignty."

In a brief interview today for Soviet and foreign journalists on the results of yesterday's meeting at Novo-Ogarevo between the leaders of the nine republics, Boris Yeltsin reported that USSR President Mikhail Gorbachev will depart for London for the conference with the "Seven" with "the mandate of nine republics" (the Russian Federation, Belorussia, the Ukraine, Kazakhstan, Azerbaijan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenia intend to sign the Union treaty).

As far as the economic program is concerned, in the view of the Russian leader, Mikhail Gorbachev will present a "combined" draft to members of the "Seven." The Union Government's anticrisis program, which uses part of the Yavlinskiy-Allison program, known as "window of opportunity," forms its basis.

"We also agreed that Mikhail Gorbachev is not going there to ask for money," Boris Yeltsin stressed. "The aim of the trip is to say firmly that the center and nine republics will take the path of radical reform, transition to a market economy, diversity of forms of ownership, and privatization."

Boris Yeltsin said that following the USSR president's trip to London, the leaders of the nine republics would meet once again in Novo-Ogarevo to iron out the remaining problems of signing the Union treaty.

"Relations with those republics that do not sign the Union Treaty will be like those with other states," Boris Yeltsin stressed. At the same time he advocated signing a general economic agreement with all republics on the territory of the Union.

In response to a question from journalists concerning relations between the recently formed "Movement for Democratic Reforms" and Mikhail Gorbachev, Boris Yeltsin expressed the view that it is precisely this movement that "will support him".

Tomorrow Boris Yeltsin is to be sworn in and will officially take up the post of president of the Russian Federation. One of his first decrees will be, in Boris Yeltsin's own words, a decree on property in Russia. In

this connection, he stressed that the republic's leadership "will trade no more with the center concerning property on Russian territory."

Silayev Reportedly Resigns From CPSU

LD0907175291 Moscow Russian Television Network in Russian 1700 GMT 9 Jul 91

[From the "Vesti" newscast]

[Text] According to reports obtained by the INTERFAX agency from unofficial but reliable sources, Ivan Silayev, Russia's prime minister, has resigned from the CPSU. No details are known as yet.

Panel Head Comments on Privatization Law

PM1007083991 Moscow KRASNAYA ZVEZDA in Russian 5 Jul 91 First Edition p 1

["Our Correspondent" report under the "Direct Line" rubric: "Privatization: Everyone Has a Chance"]

[Text] Moscow—The RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet adopted republic laws 3 July "On Privatization of State and Municipal Enterprises in the RSFSR" and "On Named Investment Accounts and Deposits." Conceptually there is virtually no difference between these laws and the corresponding Union legislation, which has already begun to operate. Another element to which it is worth paying attention is the possibility of transferring some state property to working people free of charge.

Here is how S. Krasavchenko, chairman of the Committee for Economic Reform Questions, commented on the law in this context:

[Krasavchenko] In other conditions there should be no free transfer of property. This does, of course, represent a deviation from the ideal model that many economists defend. But our conditions must be taken into consideration. That is why during the first-reading discussion of the law it enshrined the idea of transferring some property to people who set it up. It was from these people that a considerable proportion of essential products, not to mention nonessential products, was taken away. Those are our conditions. That is why we agreed from the very outset: All citizens of the Russian Federation will receive the right to acquire some state and municipal property [Krasavchenko ends].

Touching on the rights of labor collectives, S. Krasavchenko remarked that they possess considerable privileges in the process of privatizing enterprises.

Trade Union Head on Demands of Yeltsin

PM1007075191 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jul 91 p 1

[Report by Aleksandr Golyayev of FITU Press Service: "FITU Remains in Constructive Opposition"]

[Text] The Federation of Independent Trade Unions of Russia [FITU] Council Presidium issued a statement in connection with President Boris Yeltsin's coming entry into office. USSR People's Deputy V. Romanov, FITU deputy chairman, described this document:

[Romanov] This represents our instructions and at the same time a declaration of the trade union center's intentions. Russian trade unions expect the president to take vigorous steps to implement economic reform. Just one demands is being made of the authorities here: That the main, supreme aim of all the transformations should henceforth be Russians' interests—not just verbally, but in fact. People also expect the presidential authority to take resolute steps to strengthen legality and law and order.

Russia's independent trade unions are demanding that an effective mechanism be set up to provide the population with social protection, and they are ready to cooperate with the authorities in the quest for sensible solutions. In particular, it is proposed that the money from the current 37-percent insurance tariff be left entirely at the disposal of the RSFSR solely in the interests of providing the republic's citizens with social protection via four specialized funds—pension, social insurance, employment, and medical insurance. The statement also proposes measures to create a "hard-currency shield" and to formulate and implement a package of new Russian Federation socioeconomic laws and laws on legal guarantees for trade union activity in the republic and the legal status of unions of entrepreneurs.

The FITU Council Presidium urges all trade union members to cooperate constructively with the new authorities. At the same time the statement stresses that independent Russian trade unions will continue to form a constructive opposition, will assess the authorities' intentions and actions on their concrete results, and employ the entire arsenal of means developed by the world trade union movement to eschew authoritarian solutions and thus uphold the social gains of the working people.

Belorussia

Direct Economic Ties Established With Cuba

OW0807051591 Moscow INTERFAX in English 1930 GMT 5 Jul 91

[Transmitted via KYODO]

[Text] Belorussia and Cuba have expressed readiness to establish direct economic relations and sign a bilateral trade agreement in October this year during planned visit of Belorussian Prime Minister Vyacheslav Kebich to Havana.

At talks with Cuban Foreign Trade Minister Rodriguez Cabrisas, V. Kebich emphasized Belorussia's interest in import of considerable amount of raw sugar referring to breaking-off of economic relations between the Soviet republics and therefore shortages of many food products.

Rodriguez Cabrisas expressed support for direct ties with the Soviet republics and enterprises. He stressed that the reduction of trade with Eastern Europe and the Soviet Union's failure to carry out contractual delivery commitments had a negative impact on the Cuban economy.

Cuban guests proposed several projects to Belorussia. Among them the creation of joint venture which would be delivering, bottling and selling Cuban rum.

Cuba also will open its trade representation in Minsk.

Ukraine

Kravchuk: Center Should Listen to Republics

LD0907204491 Moscow TASS in English 2034 GMT 9 Jul 91

[By UKRINFORM-TASS correspondents Aleksandr Litvinov and Alexey Petrunya]

[Text] Kiev July 9 TASS—"During the creation of a union of sovereign states, the centre should listen to republics, and not vice versa. There is no other way," Ukrainian President Leonid Kravchuk told a news conference here today.

The news conference was organised to discuss the results of the third ukrainian parliament session, which ended on Friday, but the discussion also embraced other issues. On July 16, the Ukraine will mark the first anniversary of its state sovereignty declaration.

"The Ukrainian people has felt itself the master of its own fate, and this is the main result," Kravchuk said. "I would like to note particularly the laws aimed for social protection of the population."

"We have passed the laws on executive presidency. They will help create strong presidential power in the republic to protect the interests of people," he said.

"The parliament has taken an important decision to discuss the draft union treaty. Far from everything in the draft has satisfied deputies, and we have used our right to analyse the draft in detail until September and elaborate our proposals," Kravchuk said.

Asked about President Mikhail Gorbachev's participation in the G7 meeting in London, Kravchuk said: "Our position is that we should agree to foreign investments. We support Mikhail Gorbachev's visit, as it is in the interests of all republics."

"But we would like to know what the Ukraine's share of investments will be. We would also like to know our future debts to spare our grandchildren the need to repay them," Kravchuk said.

Fokin Rejects Division of Property Draft

OW0807133391 Moscow INTERFAX in English 1545 GMT 6 Jul 91

[Transmitted via KYODO]

[Text] Ukrainian Premier Vitold Fokin described as unacceptable the draft agreement between the USSR and the sovereign republics that lays down the principle of the division of state property and the functions connected with its privatisation. The governmental document, says he, conflicts with the Declaration of the Ukraine's State Sovereignty, the law on the Economic Autonomy of the Ukr. SSR and a ruling of the republican Supreme Soviet on "Placing under the Authority of the Ukrainian SSR of State Run Enterprises and Organisations Currently Under Union Authority located on the Republic's Territory."

According to the Ukrainian premier, this draft agreement does not have a sound legal footing indeed it discriminates against the Ukrainian interests. Specifically, he said that the document anchors the Union's right to conduct privatisation in the fields that feature prominently in the republic's industrial and scientific and technological potential. This is part of the Ukraine's exclusive jurisdiction, emphasizes Fokin in his letter to the USSR Cabinet of Ministers.

Moldova

Two Million Moldovans Live Below Poverty Line

OW1007045291 Moscow INTERFAX in English 1230 GMT 9 Jul 91

[Transmitted via KYODO]

[Text] As a result of the rapid rise in prices and the low level of wages more than 2 million of the inhabitants of the Moldavian Republic are living below the poverty line. This was announced at a plenum of the Federation of Independent Trade Unions of Moldavia by its chairman, Dmitriy Nidelky. The compensation paid out

of 65 rubles does not cover the expenses which have to be met by the population aa a result of the rise in prices.

According to Mr. Nidelky, despite the legal ban on rising prices on meat and meat products by more than 200%, the actual rise has been 370-380%. The price for sugar and fish products has risen by 200-230%, cabbage, beetroot and carrot have become dearer by 230-280%.

A similar situation applies to non-food products. According to the Federation of Independent Trade Unions of Moldova, the minimum living wage is 300-320 rubles. The trade unions consider it as vital that the Government consider these question immediately.

Georgia

Gamsakhurdia Food Allegations Disputed

PM1007104891 Moscow KRASNAYA ZVEZDA in Russian 9 Jul 91 First Edition p 3

["Direct Line" report by Major P. Karapetyan from Tbilisi: "The President Is Being Devious"]

[Text] The newspaper SVOBODNAYA GRUZIYA has published an account of President Z. Gamsakhurdia's answers at a press conference at the republic's Moscow mission. It was there that Zviad Konstantinovich made public a copy of the USSR Cabinet of Ministers directive of 30 June 1991, whereby troops are supposedly instructed to confiscate all of Georgia's food stocks and all state reserves and hand them over to the MVD [Ministry of Internal Affairs], KGB, and troops. The implementation of this document, the president warned journalists, is fraught with the danger even of armed conflict. In his opinion, this could mean the start of "military actions by the Kremlin against Georgia," no less.

Zviad Konstantinovich does the Union Government an injustice. The Cabinet of Ministers directive is not talking about confiscation moves against the republic, but about the return of food and industrial goods of the USSR state reserve [gosrezerv] that are kept on Georgian territory. And that, you will agree, is a different matter. This is the view of Lieutenant General V. Shipenkov, Transcaucasus Military District deputy commander for rear services and chief of the district's rear services: "The urgency of the food problem in the district is largely due to the nonfulfillment by the Transcaucasian republics, including Georgia, of the plan for deliveries of basic food products to us. Now the hope is to rectify the situation out of the state reserves."

Opposition Leader Criticizes Gamsakhurdia

LD0907230191 Moscow Russian Television Network in Russian 2000 GMT 9 Jul 91

[From the "Vesti" newscast]

[Text] Which of the knights will be able to put on the skin of a tiger that has not yet been killed, the one embodied by the notorious Soviet empire and the Kremlin? [reference to classical poem "The Knight in the Tiger Skin" by Rustaveli] This was the main topic at a news conference by Georgiy Chanturiya, one of the leaders of the Georgian National Congress, the main opposition to President Gamsakhurdia. The news conference took place in Moscow today. Chanturiya is a historian by education; he started his political career in 1976 and regards himself as a professional prisoner since 1979—he had several sentences for anti-Soviet activities.

While doing justice to Gamsakhurdia as a splendid translator of Rustaveli, Chanturiya denies outright his political abilities. He believes that Gamsakhurdia's policies compromise the natonal democratic movement not only in Georgia but also in other republics. Gamsakhurdia's dictatorship, in his view, benefits right-wingers and the advocates of imperial principles, since it provides them with yet another reason for attacks. Chanturiya gave facts about dissidents being persecuted in today's Georgia; according to his information, there are 76 political prisoners there now. He also criticized Gamsakhurdia's economic policy and described as reactionary the recently adopted law on privatization. Chanturiya voiced his doubts about the results of presidential elections. He asserts that only 40 percent of the electorate took part in them. Nobody, either here or in the West, knows the truth about Georgia, said the leader of the Georgian opposition; and he called on journalists to breach the information blockade.

[Begin recording] [G.chanturiya, chairman of the National-Democratic Party of Georgia] For the time being Russian Television is shown, but only for the time being. But if they wish... the same way they treated IZVESTIYA... they simply failed to circulate that issue of IZVESTIYA they did not like. They will act in the same way if "Vesti" Or Russian Television, on the whole, continue with the line they have chosen. You have pluralism at your television, you see. [end recording] [video shows news conference and archive footage of Gamsakhurdia at rallies]

Warns of Dictatorship Threat

OW1007142891 Moscow INTERFAX in English 1530 GMT 9 Jul 91

[Transmitted via KYODO]

[Text] Conditions are ripe for the establishment of a dictatorship in Georgia, Georgiy Chanturiya, chairman of the National-Democratic Party of Georgia and a leader of the opposition National Congress, said speaking at a press conference in Moscow. Yet, he referred to the long-standing traditions of democracy in Georgia, adding that "dictatorship in Georgia will not win."

The policies of the Georgian leadership, he said, are bringing the republic into disrepute in the eyes of both the democratic forces in Russia, other republics and in the West. "What is right now happening in Georgia compromises the national-liberation movement in the USSR as a whole, because in Georgia the whole world sees an example of the kind of a regime that follows secession from the USSR," Chanturiya said.

He called on those present not to identify Georgia with (the republic's President) Zviad Gamsakhurdia and the Georgian Supreme Soviet.

Chanturiya quoted the data gathered by the opposition saying there are now 76 political prisoners in Georgia, though "all of them are serving time for criminal offenses."

Kishinev Forum Appeals for Peaceful Solution

NC0807090991 Yerevan Radio Yerevan International Service in Armenian 1630 GMT 7 Jul 91

[From the republican press review]

[Text] A paper reports that the Kishinev Forum meeting has ended in Tbilisi. The Forum includes the representatives of political parties and popular movements from the six republics refusing to sign the Union treaty: Armenia, Georgia, Latvia, Lithuania, Estonia, and Moldova.

The Forum adopted a few new documents and issued an appeal to the president of the USSR and the leaders of the nine republics, which said: The Forum of the popular fronts and movements who oppose the Union treaty welcomes your recognition that the principle of voluntary participation in the Union is based on national self-determination and expresses the conviction that the problems related to the formation of new independent states should be resolved without resorting to force or political pressure and by respecting our states' territorial integrity.

Meeting of Seceding Republics Viewed

LD0607095291 Moscow TASS International Service in Russian 1750 GMT 4 Jul 91

[Text] Tbilisi, 4 Jul (TASS)—The Supreme Soviet of the Republic of Georgia is prepared to act as organizer of a government-level meeting of representatives of the republics that have declared their intention to secede from the USSR, Georgiy Maisashvili, head of the Georgian delegation and member of the board of the republic's Helsinki union, stated at a news conference following the routine consultative meeting of the "Kishinev Forum," which ended here on Wednesday.

As the SAKINFORM agency reported today, on the final day of the forum's work, the participants in the meeting, representatives of public political movements, adopted an appeal to the USSR president, the leaders of the nine republics that are party to the new Union treaty, and the international public on the Soviet Army's of human rights and the principles of self-determination of nations in the republics seeking independence. They called on the USSR president to solve political problems connected with the formation of new, independent states without using force and pressure, and with regard for the territorial integrity of those republics. An appeal to the Supreme Soviets of Georgia, Armenia, and Moldova was also adopted, urging them to associate themselves with the Baltic republics' decision on the nonproliferation of nuclear arms and other types of weapons on their territory.

The next meeting of the "Kishinev Forum," its participants decided, is due to be held in Riga in August this year.

Armenia

Ter-Petrosyan To Seek Explanation for Problems

LD0907145791 Moscow TASS International Service in Russian 1356 GMT 9 Jul 91

[Text] Yerevan, 9 Jul (TASS)—Levon Ter-Petrosyan, chairman of the Supreme Soviet of Armenia, has reported that he is leaving for Moscow this evening where "perhaps he will have the opportunity to receive explanations on the position of the center in connection with the exacerbation of the situation in Nagorno-Karabakh." Speaking at a session of the republic's parliament, he told deputies that during a shooting incident in the Armenian village of Manashid in the Shaumyanovskiy (Geranboy) Rayon one inhabitant of the village was killed. Units of troops of the USSR Ministry of Internal Affairs subordinate to the commandant's office of the area of the state of emergency, have been withdrawn from three Armenian villages but "have not moved very far away from them."

The situation in the Shaumyanovskiy Rayon of Azerbaijan remains tense. On 5 July there was a clash near Erkech, another Armenian-populated village of this rayon, between inhabitants of this village and subunits of the Azerbaijan Special Purpose Militia Detachment, as a result of which one person was killed on the Armenian side and there were three killed and seven injured on the Azerbaijan side. The leadership of Armenia puts this incident down to the decree of the president of the USSR adopted recently on revoking the state of emergency in the Geranboy and Dzhebrail Rayons of Azerbaijan.

Further Incidents, Attacks Described

OMON Attacks Continue

LD0907153191 Moscow Radio Rossii Network in Russian 1231 GMT 9 Jul 91

[Text] During the evening and night of 7-8 July the Armenian village of Erkech was subjected to rocket fire. Some rockets did not explode. As a result of the shelling two people were seriously wounded and three houses were burned down in the village. The shelling ended at 0100, but on the morning of 8 July two more artillery shells were fired from the direction of the Azerbaijan village of Todan at the Armenian village of Erkech. In addition, Erkech was fired on for three hours from three OMON [Special Purpose Militia Detachment] troop carriers. There is no information yet about casualties from this shooting.

By an order of USSR Minister of Defense Dmitriy Yazov, helicopter flights have been banned in Shaumyanovskiy Rayon and in the Nagorno-Karabakh Autonomous Oblast since 8 July. On 8 July a conference of heads of the law-enforcement bodies of Azerbaijan and the command of the Internal Troops of the USSR Ministry of Internal Affairs took place here. Those taking part in the conference, fulfilling the order of

Lieutenant General Shatalin, commander of Internal Troops, adopted a decision to withdraw Internal Troops from Shaumyanovskiy Rayon, with the exception of three regiments stationed close to the Armenian village of Korochinar, the Azerbaijan village of (Yurzalyar), and also in the Russian-populated village of Russkiye Borisy.

Levon Ter-Petrosyan, chairman of the Armenian Supreme Soviet, reported that last night there was also some shooting near the village of Manashid in Shaumyanovskiy Rayon; one of the inhabitants of the village was killed by Azerbaijan OMON troops.

Yesterday, at the session of the USSR Supreme Soviet the Azerbaijan delegation raised the issue of the so-called Armenian fighters. As is known, Minister of Internal Affairs Pugo supported this version. Both Azerbaijan and Moscow are trying to represent what is going on in a distorted light, as happened at the time of the tragic events in Getashen, Levon Ter-Petrosyan declared. Incidentally, he is flying to Moscow this evening.

Field Burning Reported in NKAO

NC1007100691 Yerevan Radio Yerevan Network in Armenian 1730 GMT 9 Jul 91

[Text] The policy of setting the grain fields in Artsakh [Nagorno-Karabakh Autonomous Oblast—NKAO] on fire has assumed massive proportions. Unidentified persons set the grain fields on fire in Ashan village in Martuninskiy Rayon at approximately 1500 on 8 July. Rayon militia staffers and firemen rushed to the fields but could not save the 50 hectares of wheat fields.

Almost 500 hectares of grain fields belonging to Armenian villages in the NKAO have been set on fire over the last few days. The farms of Dzhartar, Talish, Nerkin Horatag, Vardadzor, Aygestan and of other villages have been damaged. The damage these criminal acts have inflicted on the collective and state farms in the NKAO amounts to more than half a million rubles.

Neither have the attacks on the NKAO's roads stopped. A Moskovich-2140 car came under automatic fire on Mardakert-Stepanakert road's [name indistinct] area at the 46th km section on 8 July. The driver Oleg Sargisyan, a resident of Chaylur village, sustained gunshot wounds and was taken to the hospital. The attackers set fire to the car. Mardaketskiy Rayon's procuracy is investigating the incident.

According to our latest information, eight Armenians were kidnapped from Khnatsar village in Askeranskiy Rayon today.

Berdzik Sakhatelyan, a 25-year old resident of Verishen village, has been killed during an exchange of fire near Manashid village in Shaumyanovskiy Rayon. In another incident, missiles were fired on Manashid and Erkech yesterday. Khoren Balayan, who was taken hostage from Karachinar village, has been released.

The military command headquarters in Shaumyanovskiy Rayon has moved to Naftalan city, and a substantial part of the USSR Internal Troops have been withdrawn from the rayon.

Serious Situation Noted in NKAO

LD0907220491 Moscow Central Television Network in Russian 2047 GMT 9 Jul 91

[From the "Television News Service" program]

[Text] The situation in Nagorno-Karabakh has deteriorated again. Armed clashes took place in Shaumyanovskiy Rayon in Azerbaijan, and there are killed and wounded.

[Begin recording] [Correspondent M. Mamedov] It is precisely here in Gyulistan that a peace treaty was signed in 1813 according to which Russia guaranteed to Azerbaijan the safety of its borders. Today there is no peace. We witnessed this when our helicopter was subjected to intense firing, and only the skill of the aviators saved us from the worst. It was more difficult on the ground, when a small group of employees of the militia and the KGB of the Azerbaijan Republic held a violent offensive in check. I am confident that it was not the local residents who were attacking and firing, and with whom only a few years ago the Azerbaijanis shared life, which is not easy in these mountains, but trained and armed rogues brought here from Armenia.

[D.I. Babayev, chief of the rayon militia department] According to our operational information, on 6, 7, and 8 July a major bandit foramtion arrived in an area where there is a dense population of Armenians. At once they started combat actions against the peaceful population, militia and Internal Troops. In two days alone five people died and 11 were seriously wounded.

[Mamedov] Certain circles in Nagorno-Karabakh as well as in Armenia did not like the stabilization of the situation and the decree of the country's president. That is why they fire and kill again, and again women in Azerbaijan are crying. Who will put an end to this undeclared war? [end recording]

Supreme Soviet Deplores Slaying of Serviceman

PM1007091191 Moscow IZVESTIYA in Russian 6 Jul 91 Union Edition p 2

["Direct Line" report by Sergey Bablumyan: "Incident Near Armenian Village"]

[Text] Yerevan—The deportation of Armenians from Nagorno-Karabakh Autonomous Oblast [NKAO] by military helicopters flying illegally into Armenia has become more frequent of late. An Armenian Supreme Soviet Presidium Resolution "On the Incident at Noravan Village, Sisianskiy Rayon" points this out.

IZVESTIYA reported that a military helicopter carrying NKAO residents came down near Noravan. Fortunately, the

passengers and crew escaped with slight injuries and shock. However, events developed further, taking a far more dramatic turn: The military detail posted to guard the helicopter was attacked at night. The attackers killed one serviceman and stole weapons.

The Armenian Supreme Soviet Presidium described this as blatant provocation designed to destabilize the situation in the republic. Law-enforcement organs have been tasked with taking the requisite steps to identify and institute proceedings against the attackers. The resolution says that the Armenian Supreme Soviet and Government are taking concrete steps to normalize relations with Soviet Army and border troop subunits stationed on the republic's territory and also to disarm people illegally in possession of weapons. A message has been sent to the USSR Ministry of Defense demanding that it flush out and institute proceedings against people organizing illegal helicopter flights with a view to deporting NKAO residents.